

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

Form 10-K

(Mark One)

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

For the fiscal year ended September 30, 2025

OR

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

For the transition period from _____ to _____

Commission File Number 333-139298

BRIDGELINE

Bridgeline Digital, Inc.

(Exact name of registrant as specified in its charter)

Delaware

State or other jurisdiction of incorporation or organization

52-2263942

IRS Employer Identification No.

100 Sylvan Road, Suite G700

Woburn, Massachusetts

(Address of Principal Executive Offices)

01801

(Zip Code)

(781) 376-5555

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol	Name of exchange on which registered
Common Stock, \$0.001 par value per share	BLIN	The Nasdaq Capital Market

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

None

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

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

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

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

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

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

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

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

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

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

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant was approximately \$17.4 million based on the closing price of \$1.47 of the issuer's common stock, par value \$0.001 per share, as reported by the Nasdaq Capital Market on March 28, 2025.

As of December 16, 2025, there were 12,224,399 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE: NONE

BRIDGELINE DIGITAL, INC.
ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED September 30, 2025
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Forward Looking Statement

All statements included in this Annual Report on Form 10-K, other than statements or characterizations of historical fact, are forward-looking statements. These "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, are based on our current expectations, estimates and projections about our industry, management's beliefs, and certain assumptions made by us, all of which are subject to change. Forward-looking statements can often be identified by words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," similar expressions, and variations or negatives of these words. These statements appear in a number of places in this Form 10-K and include statements regarding the intent, belief or current expectations of Bridgeline Digital, Inc. These forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions, including, but not limited to: business operations and the business of our customers, suppliers and partners; our ability to retain and upgrade current customers, increasing our recurring revenue, our ability to attract new customers, our revenue growth rate; our history of net loss and our ability to achieve or maintain profitability; our liability for any unauthorized access to our data or our users' content, including through privacy and data security breaches; any decline in demand for our platform or products; changes in the interoperability of our platform across devices, operating systems, and third party applications that we do not control; competition in our markets; our ability to respond to rapid technological changes, extend our platform, develop new features or products, or gain market acceptance for such new features or products, particularly in light of potential disruptions to the productivity of our employees resulting from remote work; our ability to manage our growth or plan for future growth, and our acquisition of other businesses and the potential of such acquisitions to require significant management attention, disrupt our business, or dilute stockholder value; the volatility of the market price of our common stock, the ability to maintain our listing on the Nasdaq Capital Market; or our ability to maintain an effective system of internal controls as well as other risks described in our filings with the Securities and Exchange Commission. Any of such risks could cause our actual results to differ materially and adversely from those expressed in any forward-looking statement. Bridgeline Digital, Inc. assumes no obligation to, and does not currently intend to, update any such forward-looking statements, except as required by applicable law. We urge readers to review carefully the risk factors described herein and in the other documents that we file with the Securities and Exchange Commission. You can read these documents at www.sec.gov.

Where we say "we," "us," "our," "Company" or "Bridgeline" or "Bridgeline Digital" we mean Bridgeline Digital, Inc.

PART I

Item 1. Business.

Overview

Bridgeline Digital is an AI-powered marketing technology company that offers a suite of products that help companies grow online revenue by driving more visitors to their websites, converting more visitors to purchasers, and increasing average order value per purchaser.

Bridgeline's software is available through a cloud-based Software as a Service ("SaaS") model. Additionally, Bridgeline's software is available via a perpetual licensing business model, in which the software can reside on premises at the customer's facility, or manage-hosted by Bridgeline.

Bridgeline Digital was incorporated under the laws of the State of Delaware on August 28, 2000.

The Company's corporate headquarters is located in Woburn, Massachusetts. The Company maintains regional field offices serving the following geographical locations: Garden City, NY; Rosemont, IL; Atascadero, CA; Ontario, Canada; and Brussels, Belgium.

The Company has four wholly-owned subsidiaries: Bridgeline Digital Pvt. Ltd., located in Bangalore, India; Bridgeline Digital Canada, Inc., located in Ontario, Canada; Hawk Search Inc. located in Rosemont, Illinois and Bridgeline Digital Belgium BV, located in Brussels, Belgium.

Developments

HawkSearch was ranked #1 in the 2025 Gartner® Critical Capabilities Report for the B2B Search Use Case.

Bridgeline launched multiple new Artificial Intelligence ("AI") product enhancements this year, including Agentic AI, Generative AI ("GenAI"), Retrieval Augmented Generation ("RAG"), Large Language Models ("LLMs") and Small Language Models.

Bridgeline's tailored approach to AI (versus a general non-configurable approach) allows the Company's customers to adjust the look and tuning of their website, and the assistance of AI Agents helps to reduce overhead costs by automating backend work and grow online revenue.

Bridgeline also allows its customers to select their own AI foundation models, do fine tuning, and even use different models for different parts of their eCommerce site.

Bridgeline has the following nine (9) AI-powered products in its Hawk AI suite:

- Smart Search – AI search using Large Language Models and Retrieval Augment Generation ("RAG").
 - Concept Search – Empower shoppers to find products by describing their goals in any language.
 - Image Search – Empower shoppers to find products by describing what a product looks like.
 - Visual Search – Empower shoppers to find products using images from a camera.
- Smart Response – Generative AI to create an interactive shopping experience.
 - Smart Answer – Provide answers to questions asked by shoppers.
 - Smart Summary – Provide a concise summary of complex product information to shoppers.
 - Smart Facets – AI powered hierarchical categorization of products based on shopper search queries.
- Smart Agents – Agentic AI
 - Merchandising Assistant – Collaborative AI to help Bridgeline's customers grow online revenue with AI Agents.
 - Search Assistant – AI agent to help shoppers automate purchases from HawkSearch powered websites.
 - Analytics Assistant – AI agents to generate reports for merchandisers to tune their HawkSearch implementation.

Products and Services

Subscription

Bridgeline's software is available through a cloud-based SaaS model. Bridgeline's software is either managed and hosted by Bridgeline, or available under a perpetual licensing business model, in which the software can reside on premises at the customer's facility. This software is reported as Subscription in the accompanying consolidated financial statements.

Bridgeline offers enterprise site search solutions with its HawkSearch and Celebros Search products.

- **HawkSearch** is an AI-powered site search, recommendation, and personalization software application for marketers to enhance an online customer's product discovery. HawkSearch leverages artificial intelligence, machine learning and merchandising features to deliver accurate, relevant and personalized results and recommendations from multiple data sources.

HawkSearch's Keyword Search and Merchandising allows site visitors to search product catalogs and content using keywords and allows marketers to improve search results with synonyms, unit of measure conversions, and trending products.

HawkSearch's Smart Search allows site visitors to search by image upload or phone camera, textual image description, and concept (aka Natural Language Processing) through Retrieval Augmented Generation to get relevant results.

HawkSearch's Smart Response leverages generative AI to summarize, synthesize, compare or start a conversation with the visitor to help find the most relevant results.

HawkSearch has integrations and partner relationships with platforms such as Adobe, BigCommerce, Optimizely, Sitefinity, Shopify, Unilog and others.

- **Celebros Search** is a commerce-oriented, site search product that provides Natural Language Processing and incorporates artificial intelligence to present relevant search results based on long-tail keyword searches. Celebros Search is a semantic search and conversion technology that is available in seven languages. Celebros Search has plug-ins into the Unbound Commerce offering, in addition to many other third-party Commerce platforms such as Adobe, Hybris and Shopify.

Bridgeline offers Search Engine Optimization auditing through its WooRank by Bridgeline software.

- **Woorank** is a Search Engine Optimization ("SEO") audit tool that generates an instant performance audit of the site's technical, on-page, and off-page SEO. Woorank's clear, actionable insights help companies increase their search engine ranking, while boosting website traffic, audience engagement, conversion, and customer retention rates.

Bridgeline offers Unbound as a Digital Experience Platform.

- **Unbound** is a Digital Experience Platform that includes Web Content Management, eCommerce, Digital Marketing, and Web Analytics. Unbound Content, Unbound Marketing, Unbound Commerce, and Unbound Insights empower marketers to easily manage their digital experiences and create personalized customer journeys. Each Unbound implementation incorporates a set of flexible templates and modules to accelerate implementation speed and reduce costs. The Unbound platform, combined with its professional services, assists customers in powering engaging digital experiences that drive lead generation, increase revenue, improve customer service and loyalty, enhance employee knowledge, and reduce operational costs.

Bridgeline also offers OrchestraCMS as a Digital Experience Platform.

- **OrchestraCMS** is a digital experience platform built 100% native on Salesforce and helps customers create websites and intranets for their customers, partners, and employees. The software combines content with business data, processes and applications, including Salesforce Communities, social media, portals, intranets, websites, applications and services. OrchestraCMS also has a rich set of APIs to enable development of custom solutions, third-party integrations and delivery of digital transformation initiatives on the Salesforce platform, helping customers drive deeper engagement and collaboration, increase efficiency and minimize risk.

Bridgeline offers franchise marketing software with its TruPresence platform.

- **TruPresence** is a Web Content Management and eCommerce platform that supports the needs of multi-unit organizations and franchises. The TruPresence product empowers large franchises, brand networks, and other multi-unit organizations to manage a large hierarchy of digital properties at scale. TruPresence provides centralized and distributed management of content and products from parent sites down to multiple child sites for consistency in branding and messaging while also enabling regional/local site owners to manage the local messaging, products and promotions specific to their local market.

Services

Revenue from all services is reported as "Services" in the accompanying consolidated financial statements.

Services address specific customer needs such as digital strategy, web design and web development, usability engineering, information architecture, and SEO for their mission critical website, intranet or online store. Application development engagements are often sold as part of a multiple element arrangement that includes our software products, hosting arrangements (i.e., Managed Service Hosting) that provide for the use of certain hardware and infrastructure through our partnership with Amazon Web Services or professional services retained after completion of the application development.

Sales and Marketing

Overview

Bridgeline employs a direct sales force, which focuses its efforts on selling to mid-sized and large companies. These companies are generally categorized in the following vertical markets:

- Associations and Foundations
- Banks and Credit Unions
- eCommerce Retailers
- Franchises & Enterprises
- Health Services and Life Sciences
- Industrial Distribution and Wholesale
- Manufacturers
- Technology

For the years ended September 30, 2025 and 2024, no customer exceeded 10% of the Company's total revenues.

We also pursue strategic alliances and partnerships to enhance the sales and distribution opportunities of Bridgeline intellectual property. We currently have partner relationships with platforms such as Adobe, BigCommerce, Optimizely, Sitefinity, Shopify, Unilog and others.

Organic Growth from Existing Customer Base

Our business development professionals seek ongoing business opportunities within our existing customer base and within other operating divisions or subsidiaries of our existing customer base.

New Customer Acquisition

We identify customers within our vertical expertise. Our business development professionals create an annual territory plan identifying various strategies to prospect and engage our target verticals.

New Lead Generation Programs

We generate targeted leads and new business opportunities by leveraging online marketing strategies. We receive leads by maximizing the SEO capabilities of our own websites. Through our websites, we provide various educational whitepapers and promote upcoming online seminars. In addition, we utilize banner advertisements on various independent newsletters and paid search advertisements that are linked to our website. We also participate and exhibit at targeted online and in-person events and conferences.

Customer Retention Programs

We have a dedicated Customer Success team that engages with customers regularly to conduct strategic business reviews and audits to ensure they are getting the most value out of the Bridgeline product offerings. We use surveying techniques to gauge and monitor customer sentiment as well as digital marketing capabilities to inform our customer base of the latest feature releases and product innovations. We make product releases available via email campaigns as well as publication on our website. Bridgeline also provides educational white papers and featured case studies, to inform customers of best practices and enhancements. We also host educational online webinars for customers as well as face-to-face customer focus groups and training sessions.

Social Media Programs

We market Bridgeline's upcoming events, white papers, blogs, case studies, digital product tutorials, announcements, and related articles frequently on leading social media platforms such as X, LinkedIn, YouTube and Facebook.

Research and Development

We have research and development activities focusing on creating new products and innovations, product enhancements, and funding future market opportunities. Research and development expenses were approximately \$4.0 million or 26% of revenues and \$4.2 million or 27% of revenues during fiscal 2025 and 2024, respectively.

Employees

Human Capital

Bridgeline is dedicated to creating the best digital presence for our customers, and our employees are critical to achieving this mission. In order to continue to design innovative experiences and products and compete and succeed in our highly competitive and rapidly evolving market, we continue to attract and retain experienced and talented employees. As part of these efforts, we strive to offer a competitive compensation and benefits program, foster a community of inclusion and empower individuals to do their best work.

As of September 30, 2025, we had approximately 40 full-time employees. Of our full-time employees, approximately 30 were in the United States and the remaining were based in various international locations, primarily Canada. None of our employees are represented by a labor union or covered by a collective bargaining agreement.

Compensation and Benefits Program

Our compensation program is designed to attract and reward talented individuals who possess the skills necessary to support our business objectives, assist in the achievement of our strategic goals and create long-term value for our stockholders. We provide employees with compensation packages that include base salary, incentive bonuses, and long-term stock option awards tied to the value of our stock price. We believe that a compensation program with both short-term and long-term awards provides fair and competitive compensation and aligns employee and stockholder interests, including by incentivizing business and individual performance (pay for performance), motivating individuals based on long-term company performance and integrating compensation with our business plans. In addition to cash and equity compensation, we also offer employees benefits such as life and health (medical, dental & vision) insurance, paid time off, and a 401(k) plan.

Competition

The markets for our products and services, including eCommerce platform software, eMarketing software, software for web content management, web analytics software and services are highly competitive, fragmented, and rapidly changing. Barriers to entry in such markets remain relatively low. The markets are significantly affected by new product introductions and other market activities of industry participants. With the introduction of new technologies and market entrants, we expect competition to persist and intensify in the future.

We believe we compete adequately with others and we distinguish ourselves from our competitors in a number of ways, including:

- Many AI software providers are offering a one size fits all solution for their customers which lack customer specific rules and insights, or what we call "Merchandising Capabilities" that power the underlying AI and Machine Learning features. Bridgeline allows customers to tailor an AI that is specific to their needs.
- Many of our competitors offer their web application software with an emphasis on a singular focus/function (such as content management only, or commerce only) as compared to the deeply integrated and multi-faceted approach provided by Bridgeline's platforms.
- Some of Bridgeline's software can be deployed in either a SaaS or in a dedicated hosting environment.
- Many of our competitors do not provide development services that complement their software products. Our ability to develop mission critical websites and online stores on our own deeply integrated platforms provides a quality end-to-end solution.
- The interface of the Bridgeline platforms have been designed for ease of use without requiring substantial technical skills from our customers.
- Finally, we believe the Bridgeline platforms offer a competitive price-to-functionality ratio when compared to our competitors.

Patents, Trademarks, and Trade Secrets

We own a number of trade secrets, licenses and trademarks related to Bridgeline products and services and their loss could have a material adverse effect on the Company. We do not own any patents. For additional information see Risk Factor – *If we are unable to protect our proprietary technology and other intellectual property rights, our ability to compete in the marketplace may be substantially reduced.*

Available Information

This Annual Report on Form 10-K, as well as our quarterly reports on Form 10-Q and current reports on Form 8-K, along with any amendments to those reports, are made available upon request, on our website www.bridgeline.com as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission ("SEC"). The information posted on our website is not incorporated by reference into this Annual Report on Form 10-K. Copies of the following are also available through our website on the "About – Investor Relations" page and are available in print to any stockholder who requests it:

- Code of Business Ethics
- Committee Charters for the following Board Committees:
 - Nominating and Corporate Governance Committee
 - Audit Committee
 - Compensation Committee

The public may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. Information regarding the SEC's Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information and can be found at <http://www.sec.gov>.

Item 1A. Risk Factors

This report contains forward-looking statements that involve risks and uncertainties, such as statements of our objectives, expectations and intentions. The cautionary statements made in this report are applicable to all forward-looking statements wherever they appear in this report. Our actual results could differ materially from those discussed herein. In addition to the risks discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations," our business is subject to the risks set forth below.

We operate in a rapidly changing environment that involves certain risks and uncertainties, some of which are beyond our control. The risks described below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition and/or operating results.

Risk Factors Related to our Business

We have incurred significant net losses since inception and expect to continue to incur operating losses for the foreseeable future. We may never achieve or sustain profitability, which would depress the market price of our common stock and could cause you to lose all or a part of your investment.

We incurred a net loss of approximately \$(2.5) million for the year ended September 30, 2025. Since our inception in 2000 and through fiscal 2019, in fiscal 2021, and from fiscal 2023 through 2025, we have incurred net losses, and may do so again. As of September 30, 2025, we had an accumulated deficit of approximately \$(94) million. Our prior losses have had an adverse effect on our stockholders' equity and working capital. Because of the numerous risks and uncertainties associated with our business, we are unable to predict the extent of any future losses or when we may become profitable. If we do become profitable, we may not be able to sustain or increase our profitability on a quarterly or annual basis.

We may require additional financing to execute our business plan and further expand our operations.

We may require additional funding to further expand our operations. We depend on financing sources, either debt or equity, or a combination thereof, which may not be available to us in a timely basis if at all, or on terms acceptable to us. Further, our ability to obtain financing may be limited by rules of the Nasdaq Capital Market.

If we fail to obtain acceptable funding when needed, we may not have sufficient resources to fund our operations, and this would have a material adverse effect on our business.

A reduction in our license renewal rate could reduce our revenue.

Our customers have no obligation to renew their subscription licenses, and some customers have elected or may elect not to do so. Our license renewal rates may decline or fluctuate as a result of a number of factors, including customer dissatisfaction with our products and services, our failure to update our products to maintain their attractiveness in the market, or constraints or changes in budget priorities faced by our customers. A decline in license renewal rates could cause our revenue to decline, which would have a material adverse effect on our operations.

We may become dependent upon a concentration of major customers, and a failure to renew our licenses with such customers could reduce our revenue.

We have previously and may from time to time derive a significant portion of our revenues from a relatively concentrated number of customers. Considering a reduction in our license renewal rate could reduce our revenue, these consequences could be exacerbated if we are dependent upon several major customers and any one of them were to elect not to renew.

The length of our sales cycle can alternate markedly, which could result in significant fluctuations in the recognition of license revenues from quarter to quarter.

The decision by a customer to purchase our products often involves the development of a complex implementation plan across a customer's business. This process often requires a significant commitment of resources both by prospective customers and us. Given the significant investment and commitment of resources required in order to implement our software, it may take several months, or even several quarters, for marketing opportunities to materialize. If a customer's decision to purchase our products is delayed, or if the installation of our products takes longer than originally anticipated, the date on which we may recognize revenue from these sales would be delayed. Such delays and fluctuations could cause our revenue to be lower than expected in a particular period, and we may not be able to adjust our costs quickly enough to offset such lower revenue, potentially negatively impacting our results of operations.

We depend on a third-party cloud platform provider to host our Bridgeline SaaS environment and managed services business and if we were to experience a disruption or interference in service, our business and reputation could suffer.

We host our SaaS and managed hosting customers via a third-party, Amazon Web Services. If upon renewal date our third-party provider does not provide commercially reasonable terms, we may be required to transfer our services to a new provider, such as a data center facility, and we may incur significant equipment costs and possible service interruption in connection with doing so. Service interruptions might reduce our revenue, cause us to issue credits or refunds to customers, subject us to potential liability, or harm our renewal rates. Interference from unauthorized access to or tampering with these systems, including those resulting from cyber-attacks, could result in a variety of consequences, including devaluation of our intellectual property, goodwill, increased expenditures on data security and litigation, and can have a material adverse effect on our business, revenues, reputation, operating results and financial condition.

Artificial Intelligence is an emerging area of technology that has and may further impact various aspects of our business operations and customer interactions, we may not be successful in our artificial intelligence initiatives, which could adversely affect our business, financial condition and/or operating results.

We have made, and expect to continue making investments in the integration of AI into our platforms, products, and services. However, AI presents various risks, challenges, and potential unintended consequences that could disrupt our ability to effectively integrate and leverage these technologies. The process of refining and expanding our AI-driven offerings may involve significant costs, and there can be no assurance that our efforts will ultimately succeed.

The complexity of AI systems, coupled with rapidly evolving competition in the AI space, introduces significant uncertainty about our ability to successfully integrate and commercialize these technologies. Competitors may develop more effective or efficient AI solutions, potentially undermining our competitive position. Additionally, the regulatory environment surrounding AI is still in development, and new laws or regulations could emerge that require substantial adjustments to our business practices. These changes could impose unexpected costs or operational disruptions, and the full scope and impact of such regulatory developments remain uncertain.

Furthermore, we rely on third-party vendors that incorporate AI in the products and services they provide to us. As a result, we may not have full visibility or control over the quality, security, performance, or compliance of AI-powered solutions sourced externally. There is also a risk that the underlying algorithms used by us or our vendors may be flawed, or trained on incomplete or biased datasets, leading to inaccuracies, inefficiencies, or other negative consequences. AI technologies also carry the risk of generating content that is factually incorrect, offensive, or infringing on third-party intellectual property rights. Any of these factors, whether related to internal AI development, third-party dependencies, or regulatory changes, could have a material adverse effect on our business, financial performance, and operations.

If our security measures or those of our third-party cloud computing platform provider are breached and unauthorized access is obtained to a customer's data, our services may be perceived as not being secure, and we may incur significant legal and financial exposure and liabilities.

Security breaches could expose us to a risk of loss of our customers' information, litigation and possible liability. While we have security measures in place, they may be breached as a result of third-party action, including intentional misconduct by computer hackers and cybercriminals, employee error, malfeasance or otherwise and result in someone obtaining unauthorized access to our IT systems, our customers' data or our data, including our intellectual property and other confidential business information. Because the techniques used to obtain unauthorized access, or to sabotage systems, change frequently and generally are not recognized until launched against a target, we may be unable to implement adequate preventative measures. In addition, our customers may authorize third-party technology providers to access their customer data, and some of our customers may not have adequate security measures in place to protect their data that is stored on our services. Because we do not control our customers or third-party technology providers, or the processing of such data by third-party technology providers, we cannot ensure the integrity or security of such transmissions or processing. Malicious third parties may also conduct cyber-attacks designed to temporarily deny customers access to our services. Any security breach could result in a loss of confidence in the security of our services, damage our reputation, negatively impact our future sales, disrupt our business and lead to legal liability.

We rely on encryption and authentication technology from third parties to provide the security and authentication to effectively secure transmission of confidential information, including consumer payment card numbers. Such technology may not be sufficient to protect the transmission of such confidential information or these technologies may have material defects that may compromise the confidentiality or integrity of the transmitted data. Any imposition of liability, particularly liability that is not covered by insurance, or is in excess of insurance coverage, could harm our reputation, business and operating results. We might be required to expend significant capital and other resources to protect further against security breaches or to rectify problems caused by any security breach, which, in turn, could divert funds available for corporate growth and expansion or future acquisitions.

Our operating lease commitments may adversely affect our financial condition and cash flows from operations.

We have contractual commitments in operating lease arrangements. Our ability to meet our expenses and contractual commitments will depend on our future performance, which will be affected by financial, business, economic, regulatory and other factors. We will not be able to control many of these factors, such as economic conditions and governmental regulations. Further, our operations may not generate sufficient cash to enable us to service our working capital needs or contractual obligations resulting from our leases. If we are at any time unable to generate sufficient cash flows from operations, we may be required to obtain additional sources of financing. There can be no assurance that we would be able to successfully renegotiate such terms, or that additional financing could be obtained on terms that are favorable or acceptable to us. Refer to the Risk Factor - *We may require additional financing to execute our business plan and further expand our operations*, for a description of capital raising activities.

We face intense and growing competition, which could result in price reductions, reduced operating margins and loss of market share.

We operate in a highly competitive marketplace and generally encounter intense competition to create and maintain demand for our services and to obtain service contracts. If we are unable to successfully compete for new business and license renewals, our revenue growth and operating margins may decline. The market for our platforms and web development services are competitive and rapidly changing. Barriers to entry in such markets are relatively low. Competitors and partners are investing in artificial intelligence. With the introduction of new technologies and market entrants, we expect competition to intensify in the future. Some of our principal competitors offer their products at a lower price, which may result in pricing pressures. Such pricing pressures and increased competition generally could result in reduced sales, reduced margins or the failure of our product and service offerings to achieve or maintain more widespread market acceptance.

The marketplace is highly fragmented with a large number of competitors and potential competitors. Our competitors include companies such as Algolia, Bloomreach, Coveo, Searchspring, SEMrush, Sitecore and Yext. We face competition from customers and potential customers who develop their own applications internally. We also face competition from potential competitors that are substantially larger than we are and who have significantly greater financial, technical and marketing resources, and established direct and indirect channels of distribution. As a result, they are able to devote greater resources to the development, promotion and sale of their products than we can.

If our products fail to perform properly due to undetected errors or similar problems, our business could suffer, and we could face product liability exposure.

We develop and sell complex web engagement software which may contain undetected errors or bugs. Such errors can be detected at any point in a product's life cycle but are frequently found after introduction of new software or enhancements to existing software. We continually introduce new products and new versions of our products. Despite internal testing and testing by current and potential customers, our current and future products may contain serious defects. If we detect any errors before we ship a product, we might have to delay product shipment for an extended period of time while we address the problem. We might not discover software errors that affect our new or current products or enhancements until after they are deployed, and we may need to provide enhancements to correct such errors. Therefore, it is possible that, despite our testing, errors may occur in our software. These errors could result in the following:

- harm to our reputation;
- lost sales;
- delays in commercial release;
- product liability claims;
- contractual disputes;
- negative publicity;
- delays in or loss of market acceptance of our products;
- license terminations or renegotiations; or
- unexpected expenses and diversion of resources to remedy errors.

Furthermore, our customers may use our software together with products from other companies. As a result, when problems occur, it might be difficult to identify the source of the problem. Even when our software does not cause these problems, the existence of these errors might cause us to incur significant costs, divert the attention of our technical personnel from our product development efforts, impact our reputation, or cause significant customer relations problems.

Technology and customer requirements evolve rapidly in our industry, and if we do not continue to develop new products and enhance our existing products in response to these changes, our business could suffer.

We will need to continue to enhance our products in order to maintain our competitive position. We may not be successful in developing and marketing enhancements to our products on a timely basis, and any enhancements we develop may not adequately address the changing needs of the marketplace. Overlaying the risks associated with our existing products and enhancements are ongoing technological developments and rapid changes in customer requirements. Our future success will depend upon our ability to develop and introduce, in a timely manner, new products that take advantage of technological advances and respond to new customer requirements. The development of new products is increasingly complex and uncertain, which increases the risk of delays. We may not be successful in developing new products and incorporating new technology on a timely basis, and any new products may not adequately address the changing needs of the marketplace. Failure to develop new products and product enhancements that meet market needs in a timely manner could have a material adverse effect on our business, financial condition and operating results.

If we are unable to protect our proprietary technology and other intellectual property rights, our ability to compete in the marketplace may be substantially reduced.

If we are unable to protect our intellectual property, our competitors could use our intellectual property to market products similar to our products, which could decrease demand for such products, thus decreasing our revenue. We rely on a combination of copyright, trademark and trade secret laws, as well as licensing agreements, third-party non-disclosure agreements and other contractual measures to protect our intellectual property rights. These protections may not be adequate to prevent our competitors from copying or reverse engineering our products. Our competitors may independently develop technologies that are substantially similar or superior to our technology. To protect our trade secrets and other proprietary information, we require employees, consultants, advisors and collaborators to enter into confidentiality agreements. These agreements may not provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use, misappropriation or disclosure of such trade secrets, know-how or other proprietary information. The protective mechanisms we include in our products may not be sufficient to prevent unauthorized copying. Existing copyright laws afford only limited protection for our intellectual property rights and may not protect such rights in the event competitors independently develop similar products. In addition, the laws of some countries in which our products are or may be licensed do not protect our products and intellectual property rights to the same extent as do the laws of the United States.

Policing unauthorized use of our products is difficult and litigation could become necessary in the future to enforce our intellectual property rights. Any litigation could be time consuming and expensive to prosecute or resolve, result in substantial diversion of management attention and resources, and materially harm our business or financial condition.

If a third party asserts that we infringe upon its proprietary rights, we could be required to redesign our products, pay significant royalties or enter into license agreements.

Claims of infringement are becoming increasingly common as the software industry continues to develop and as related legal protections, including but not limited to patents, are applied to software products. Although we do not believe that our products infringe on the rights of third parties, a third party may assert that our technology or technologies of entities we acquire violates its intellectual property rights. As the number of software products in our markets increases, and the functionality of these products further overlap, we believe that infringement claims will become more common. Any claims against us, regardless of their merit, could:

- be expensive and time consuming to defend;
- result in negative publicity;
- force us to stop licensing our products that incorporate the challenged intellectual property;
- divert management's attention and our other resources; and/or
- redesign our products / require us to enter into royalty or licensing agreements in order to obtain the right to use necessary technologies, which may not be available on terms acceptable to us, if at all.

We believe that any successful challenge to our use of a trademark or domain name could substantially diminish our ability to conduct business in a particular market or jurisdiction and thus decrease our revenue and result in possible losses to our business.

Increasing government regulation could affect our business and may adversely affect our financial condition.

We are subject not only to regulations applicable to businesses generally, but also to laws and regulations directly applicable to electronic commerce. In addition, an inability to satisfy the standards of certain voluntary third-party certification bodies that our customers may expect, such as an attestation of compliance with the Payment Card Industry ("PCI") Data Security Standards, may have an adverse impact on our business and results. Further, there are various statutes, regulations, and rulings relevant to the direct email marketing and text-messaging industries, including the Telephone Consumer Protection Act ("TCPA"), the CAN-SPAM Act and related Federal Communication Commission ("FCC") orders. The interpretation of many of these statutes, regulations, and rulings is evolving in the courts and administrative agencies and an inability to comply may have an adverse impact on our business and results. If in the future we are unable to achieve or maintain industry-specific certifications or other requirements or standards relevant to our customers, it may harm our business and adversely affect our results.

We may also expand our business in countries that have more stringent data protection laws than those in the United States, and such laws may be inconsistent across jurisdictions and are subject to evolving and differing interpretations. In particular, the European Union has passed the General Data Protection Regulation ("GDPR"), which came into force on May 25, 2018. The GDPR includes more stringent operational requirements for entities that receive or process personal data (as compared to U.S. privacy laws and previous EU laws), along with significant penalties for non-compliance, more robust obligations on data processors and data controllers, greater rights for data subjects, and heavier documentation requirements for data protection compliance programs. Additionally, both laws regulating privacy and third-party products purporting to address privacy concerns could negatively affect the functionality of, and demand for, our products and services, thereby reducing our revenue.

General Risk Factors

Our revenue and quarterly results may fluctuate, which could adversely affect our stock price.

We have experienced, and may in the future experience, significant fluctuations in our quarterly operating results that may be caused by many factors. These factors include, among others:

- changes in demand for our products;
- introduction, enhancement or announcement of products by us or our competitors;
- market acceptance of our new products;
- the growth rates of certain market segments in which we compete;
- size and timing of significant orders;
- budgeting cycles of customers;
- mix of products and services sold;
- changes in the level of operating expenses;
- completion or announcement of acquisitions; and
- general economic conditions in regions in which we conduct business.

If we are unable to manage our future growth efficiently, our business, liquidity, revenues and profitability may suffer.

We anticipate that continued expansion of our core business will require us to address potential market opportunities. For example, we may need to expand the size of our research and development, sales, corporate finance or operations staff. There can be no assurance that our infrastructure will be sufficiently flexible and adaptable to manage our projected growth or that we will have sufficient resources, human or otherwise, to sustain such growth. If we are unable to adequately address these additional demands on our resources, our profitability and growth might suffer. Also, if we continue to expand our operations, management might not be effective in expanding our physical facilities and our systems, and our procedures or controls might not be adequate to support such expansion. Our inability to manage our growth could harm our business and decrease our revenues.

There may be a limited market for our common stock, which may make it more difficult for you to sell your stock and which may reduce the market price of our common stock.

The average shares traded per day in fiscal 2025 was approximately 99,000 shares per day compared to approximately 41,000 for fiscal 2024, and 56,000 for fiscal 2023. Our average trading volume of our common stock can be very sporadic and may impair the ability of holders of our common stock to sell their shares at the time they wish to sell them or at a price that they consider reasonable. A low trading volume may also reduce the fair market value of the shares of our common stock. Accordingly, there can be no assurance that the price of our common stock will reflect our actual value. There can be no assurance that the daily trading volume of our common stock will increase or improve.

The market price of our common stock is volatile, which could adversely affect your investment in our common stock.

The market price of our common stock is volatile and could fluctuate significantly for many reasons, including, without limitation: as a result of the risk factors listed in this Annual Report on Form 10-K; actual or anticipated fluctuations in our operating results; and general economic and industry conditions. During fiscal 2025, the closing price of our common stock as reported by the Nasdaq Capital Market fluctuated between \$1.05 and \$2.80. We are required to meet certain financial criteria in order to maintain our listing on the Nasdaq Capital Market. One such requirement is that we maintain a minimum closing bid price of at least \$1.00 per share for our common stock. If we fail this requirement then Nasdaq will issue a notice that we are not in compliance and we will need to take corrective actions in order to not be delisted. Such corrective actions could include a reverse stock split, which may adversely affect the liquidity of our common stock. Additionally, there is no way to guarantee that such a measure, if implemented, would help us regain compliance with Nasdaq's minimum bid price requirement or maintain compliance with its other listing rules.

We are dependent upon our management team and the loss of any of these individuals could harm our business.

We are dependent on the efforts of our key management personnel. The loss of any of our key management personnel, or our inability to recruit and train additional key management and other personnel in a timely manner, could materially and adversely affect our business, operations and future prospects. We maintain a key man insurance policy covering our Chief Executive Officer.

Our business can be impacted by geopolitical events, trade and other international disputes, war, terrorism, natural disasters, public health issues, and other business interruptions.

Geopolitical events, trade and other international disputes, war, terrorism, natural disasters, public health issues, and other business interruptions can adversely impact international commerce and the global economy, and could have a material adverse effect on our business, customers, employees, and partners.

Because competition for highly qualified personnel is intense, we might not be able to attract and retain the employees we need to support our planned growth.

We will need to increase the size and maintain the quality of our sales force, software development staff and professional services organization to execute our growth plans. To meet our objectives, we must attract and retain highly qualified personnel with specialized skill sets. Competition for qualified personnel can be intense, and we might not be successful in attracting and retaining them. Our ability to maintain and expand our sales, product development and professional services teams will depend on our ability to recruit, train and retain top quality people with advanced skills who understand sales to, and the specific needs of, our target customers. For these reasons, we have experienced, and we expect to again experience in the future, challenges in hiring and retaining highly skilled employees with appropriate qualifications for our business. In addition to hiring services personnel to meet our needs, we may also engage additional third-party consultants as contractors, which could have a negative impact on our financial results. If we are unable to hire or retain qualified personnel, or if newly hired personnel fail to develop the necessary skills or reach productivity slower than anticipated, it would be more difficult for us to sell our products and services, and we could experience a shortfall in revenue and fail to achieve our planned growth.

Acquisitions may be difficult to integrate into our existing operations, may disrupt our business, dilute stockholder value, divert management's attention, or negatively affect our operating results.

We have acquired multiple businesses since our inception in 2000, including two in fiscal 2021. Acquisitions could involve substantial investment of funds or financings by issuance of debt or equity securities and could result in one-time charges and expenses and have the potential to either dilute the interests of existing stockholders or result in the issuance or assumption of debt. Any such acquisition may not be successful in generating revenues, income or other returns to us, and the resources committed to such activities will not be available to us for other purposes. Moreover, if we are unable to access capital markets on acceptable terms or at all, we may not be able to consummate acquisitions, or may have to do so based upon less than optimal capital structure. Our inability to take advantage of growth opportunities for our business or to address risks associated with acquisitions or investments in businesses may negatively affect our operating results. Additionally, any impairment of goodwill or other intangible assets acquired in an acquisition or in an investment, or charges to earnings associated with any acquisition or investment activity, may materially reduce our earnings which, in turn, may have a material adverse effect on the price of our common stock.

We have issued preferred stock with rights senior to our common stock, and may issue additional preferred stock in the future, in order to consummate a merger or other transaction necessary to continue as a going concern.

Our Certificate of Incorporation authorizes the issuance of up to 1,000,000 shares of preferred stock, par value \$0.001 per share, without stockholder approval and on terms established by our board of directors, of which 264,000 shares have been designated as Series A Preferred, 5,000 shares have been designated as Series B Preferred, 11,000 shares have been designated as Series C Preferred and 4,200 shares have been designated as Series D Preferred. We may issue additional shares of preferred stock in order to consummate a financing or other transaction, in lieu of the issuance of common stock. The rights and preferences of any such class or series of preferred stock would be established by our board of directors in its sole discretion and may have dividend, voting, liquidation and other rights and preferences that are senior to the rights of our common stock.

We have never paid dividends on our common stock and we do not anticipate paying dividends in the future.

We have never paid cash dividends and do not believe that we will pay any cash dividends on our common stock in the future. Since we have no plan to pay cash dividends, an investor would only realize income from their investment in our shares if there is an increase in the market price of our common stock, which is uncertain and unpredictable.

We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together these provisions may make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. Provisions in our amended and restated bylaws and Delaware law may have the effect of discouraging lawsuits against our directors and officers.

Our amended and restated bylaws require that derivative actions brought in our name, actions against our directors, officers, other employees or stockholders for breach of fiduciary duty and other similar actions may be brought only in the Court of Chancery in the State of Delaware. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our amended and restated bylaws.

This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.**Risk Management and Strategy**

Our cybersecurity and risk management program is intended to protect the confidentiality, integrity, and availability of our critical information systems and the data resident on them. We have designed our IT systems and processes with the intention that our solutions should defend against the ever-evolving threat landscape while remaining agile to keep up with such threats. We have established processes for assessing, identifying and managing cybersecurity risks, which are built into our information technology function and are designed to safeguard our information assets and operations from internal and external cyber threats, including protecting employee information from unauthorized access to or attacks on our networks and systems. These processes include physical, procedural and technical safeguards, response plans, regular tests on our systems, incident simulations and routine reviews of our policies and procedures to identify risks and enhance our practices. We also employ processes to identify material risks from cybersecurity threats associated with our use of third-party service providers.

In an effort to deter and detect cyber threats, we periodically provide training programs to our employees on issues related to privacy and data protection, cybersecurity risks, and the importance of reporting all incidents immediately. Topics include identifying phishing, password protection, securing confidential data, and mobile security. In addition, we use technology-based tools to mitigate cybersecurity risks and to bolster our employee-based cybersecurity programs. We also perform annual vulnerability assessments, conducted by independent, third-party cybersecurity firms. Additionally, as part of our overall risk mitigation strategy, the Company obtains certain insurance policies. However, such insurance may not be sufficient in type or amount to cover us fully against claims related to security breaches, cyber-attacks and other related breaches.

An incident response plan has been established which provides detailed information on actions to take in the event of an incident. The incident response plan includes the scope of the plan, establishes the incident response team, details the incident response lifecycle, and provides templates to make the process easier to document and follow. Timelines, communication methods, and notification information are included in the plan to ensure the process can be followed in high pressure situations which can occur during incidents.

Governance

The Audit Committee of our Board of Directors provides direct cybersecurity risk oversight. Our management provides timely disclosure and related updates to the Audit Committee regarding potential cybersecurity threats, incidents and general risks.

Our management periodically evaluates information on evolving cybersecurity risks and, based on its assessment of the processes the Company has put in place, does not believe there are currently any known risks from cybersecurity threats that are reasonably likely to materially affect us or our business strategy, results of operations, or financial condition. Further, we have not had any cybersecurity incidents in 2025, and through the date of filing of this Form 10-K.

While prior incidents have not had a material impact on us, future incidents could have a material adverse effect on our business, results of operations and cash flows. For additional information about our cybersecurity risks, see Item 1A — Risk Factors on this Annual Report on Form 10-K.

Item 2. Properties.

The following table lists our office locations, all of which are leased:

Geographic Location	Address	Description
Woburn, Massachusetts	100 Sylvan Rd, Suite G-700, Woburn, MA 01801	Professional office space
Garden City, New York	229 7th Street, Suite 306, Garden City, NY 11530	Professional office space
Rosemont, Illinois	5600 North River Rd, Suite 100, Rosemont, IL 60018	Professional office space
Atascadero, California	6225 Atascadero Ave, Atascadero, CA 93422	Professional office space
Ontario, Canada	Perth Mews RO, Perth, ON K7H 3A0, Canada	PO Box
Brussels, Belgium	Cours Saint Michel 30B, 1040 Etterbeek, Brussels, Belgium	Professional office space

We believe that our existing office space is adequate to meet current requirements, and that suitable additional or substitute space will be available as needed to accommodate our operations.

Item 3. Legal Proceedings.

From time to time, we are subject to ordinary routine litigation and claims incidental to our business. We are not currently involved in any legal proceedings that we believe are material.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock is currently traded on the Nasdaq Capital Market under the trading symbol "BLIN".

Number of Stockholders

As of December 18, 2025, we had approximately 60 stockholders of record. Since many stockholders choose to hold their shares under the name of their brokerage firm, we estimate that the actual number of stockholders was over 6,000.

Dividend Policy

We have not declared or paid cash dividends on our common stock and do not plan to pay cash dividends to our common stockholders in the near future.

Recent Sales of Unregistered Securities; Use of Proceeds From Registered Securities

There were approximately \$0.7 million in sales of unregistered equity securities during the fiscal year ended September 30, 2025.

On March 25, 2025, the Company separately entered into a form subscription agreement with certain accredited investors relating to a private placement transaction and sale (the "Private Placement") of 473,979 unregistered shares of the Company's common stock at an offering price of \$1.52 per share, for aggregate gross proceeds from the Private Placement of \$720 thousand before deducting related offering expenses. Proceeds after deducting offering expenses was \$700 thousand. The private placement closed on March 26, 2025.

The offer and sale of the securities were made in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended, and Rule 506(b) of Regulation D promulgated thereunder.

Item 6. [Reserved].

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

This section contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a variety of factors and risks, including the impact of any weakness in the U.S. and international economies on our business, our inability to manage our future growth effectively or profitably, fluctuations in our revenue and quarterly results, our license renewal rate, the impact of competition and our ability to maintain margins or market share, the limited market for our common stock, the ability to maintain our listing on the Nasdaq Capital Market, the volatility of the market price of our common stock, the ability to raise capital, the performance of our products, our ability to respond to rapidly evolving technology and customer requirements, our ability to protect our proprietary technology, the security of our software and response to cyber security risks, our ability to meet our financial obligations and commitments, our dependence on our management team and key personnel, our ability to hire and retain future key personnel, our ability to maintain an effective system of internal controls, or our ability to respond to government regulations. These and other risks are more fully described herein and in our other filings with the Securities and Exchange Commission.

This section should be read in combination with the accompanying audited consolidated financial statements and related notes prepared in accordance with United States generally accepted accounting principles ("GAAP").

Overview

We are an AI-powered marketing technology company that offers a suite of products that help companies grow online revenue by driving more visitors to their websites, converting more visitors to purchasers, and increasing average order value per purchaser.

All of our software is available through a cloud-based Software as a Service ("SaaS") model, whose flexible architecture provides customers hosting and support. Additionally, Unbound and HawkSearch have the option to be available via a traditional perpetual licensing business model, in which the software can reside on a dedicated infrastructure either on premises at the customer's facility, or manage-hosted by Bridgeline via a cloud-based, dedicated hosted services model.

The product offerings include:

- HawkSearch: a site search, recommendation, and personalization software application, built for marketers to enhance, normalize, and enrich an online customer's content search and product discovery experience.
- Celebros Search: a commerce-oriented site search product that provides Natural Language Processing with artificial intelligence to present relevant search results based on long-tail keyword searches.
- Woorank: a Search Engine Optimization ("SEO") audit tool that generates an instant performance audit of the site's technical, on-page, and off-page SEO.
- Unbound: a Digital Experience Platform that includes Web Content Management, eCommerce, Digital Marketing, and Web Analytics.
- TruPresence: a web content management and eCommerce platform that supports the needs of multi-unit organizations and franchises.
- OrchestraCMS: the only content and digital experience platform built 100% native on Salesforce and helps customers create websites and intranets for their customers, partners, and employees.

Sales and Marketing

We employ a direct sales force, which focuses its efforts on selling to mid-sized and large companies. These companies are generally categorized in the following vertical markets:

- Associations and Foundations
- Banks and Credit Unions
- eCommerce Retailers
- Franchises & Enterprises
- Health Services and Life Sciences
- Industrial Distribution and Wholesale
- Manufacturers
- Technology

Each of our product offerings goes to market through two main types of partnerships. The first partner category includes platforms such as Adobe, BigCommerce, Optimizely, Sitefinity, Shopify, Unilog and others. Our software often embeds directly into these platforms through connectors and SDK solutions that we develop in concert with each platform. The second category includes web-development agencies which typically have deep relationships with end-customers and have the technical expertise to implement our software solutions according to client needs, platform requirements, and industry standards.

Acquisitions

We continue to evaluate expanding the distribution of our suite of products and interactive development capabilities through acquisitions. We may make additional acquisitions in the foreseeable future. These potential acquisitions will be consistent with our growth strategy by providing us with new geographical distribution opportunities, an expanded customer base, an expanded sales force and an expanded developer force. In addition, integrating acquired companies into our existing operations allows us to consolidate the finance, human resources, legal, marketing, and research and development of the acquired businesses with our own internal resources. This integration may reduce the aggregate of such expenses for the combined businesses and similarly improve operating results.

Customer Information

We currently have over 2,000 active customers. For the years ended September 30, 2025 and 2024, no customers exceeded 10% of our total revenue.

Summary of Results of Operations

Total revenue for the fiscal year ended September 30, 2025 ("fiscal 2025") remained consistent at \$15.4 million when compared to fiscal year ended September 30, 2024 ("fiscal 2024"). The loss from operations for fiscal 2025 was \$(2.4) million, compared with a loss from operations of \$(2.0) million for fiscal 2024. We had a net loss for fiscal 2025 of \$(2.5) million, which included a loss of approximately \$4 thousand as a result of the change in fair value of certain warrant liabilities, compared with a net loss of \$(2.0) million, which included a gain of approximately \$0.1 million as a result of the change in fair value of certain warrant liabilities, in fiscal 2024. Basic and diluted net loss per share attributable to common stockholders for fiscal 2025 was \$(0.25) compared with the equivalent basic and diluted net loss per share attributable to common stockholders of \$(0.19) for fiscal 2024.

(in thousands)	Year Ended September 30,					
	2025		2024		\$	%
					Change	Change
Net Revenue						
Subscription	\$ 12,355	80%	\$ 12,134	79%	\$ 221	2%
Services	3,028	20%	3,224	21%	(196)	(6)%
Total net revenue	15,383		15,358		25	0%
Cost of revenue						
Subscription	3,654	30%	3,392	28%	262	8%
Services	1,488	49%	1,532	48%	(44)	(3)%
Total cost of revenue	5,142	33%	4,924	32%	218	4%
Gross profit	10,241	67%	10,434	68%	(193)	(2)%
Operating expenses						
Sales and marketing	4,474	29%	3,715	24%	759	20%
General and administrative	3,149	20%	3,282	21%	(133)	(4)%
Research and development	4,024	26%	4,160	27%	(136)	(3)%
Depreciation and amortization	779	5%	1,086	7%	(307)	(28)%
Restructuring and acquisition related expenses	242	2%	210	1%	32	15%
Total operating expenses	12,668		12,453		215	2%
Loss from operations	(2,427)		(2,019)		(408)	20%
Interest expense and other, net	(126)		(61)		(65)	107%
Change in fair value of warrant liabilities	(4)		76		(80)	(105)%
Loss before income taxes	(2,557)		(2,004)		(553)	28%
Provision for benefit from income taxes	(39)		(43)		4	(9)%
Net loss	\$ (2,518)		\$ (1,961)		\$ (557)	28%
Redemption of Series C Convertible Preferred Stock	(331)		-		(331)	(100)%
Net loss attributable to common shareholders	\$ (2,849)		\$ (1,961)		\$ (888)	45%
Non-GAAP Measure:						
Adjusted EBITDA	\$ (931)		\$ (192)		\$ (739)	385%

Revenue

Our revenue is derived from two sources: (i) Subscription and (ii) Services.

Subscription

Subscription revenue of \$12.4 million in fiscal 2025 increased \$0.2 million, or 2%, from \$12.1 million in fiscal 2024. Subscription revenue as a percentage of total revenue increased to 80% in fiscal 2025 from 79% in fiscal 2024.

Services

Services revenue is comprised of implementation and retainer-related services. Total revenue from services of \$3.0 million in fiscal 2025 decreased (6)% from \$3.2 million in fiscal 2024. Services revenue as a percentage of total revenue decreased to 20% in fiscal 2025 from 21% in fiscal 2024.

Overall

Bridgeline's Core products, led by HawkSearch, grew by 16% to \$8.9 million in fiscal 2025 (representing 58% of total revenue) from \$7.7 million in fiscal 2024 (representing 50% of total revenue). Bridgeline revenue was flat in fiscal 2025 compared to fiscal 2024, with growth in Core products, led by HawkSearch, offset by lower revenue in certain legacy products.

Cost of Revenue

Total cost of revenue for fiscal 2025 of \$5.1 million increased \$0.2 million, or 4% compared to the prior period.

Cost of Subscription Revenue

Cost of subscription revenue of \$3.7 million in fiscal 2025 increased \$0.3 million, or 8%, from \$3.4 million in fiscal 2024. The increase in cost of subscription revenue in fiscal 2025 compared to fiscal 2024 is primarily due to higher costs to operate our cloud-based hosting model with Amazon Web Services, offset by a decrease in personnel costs. The cost of subscription revenue as a percentage of subscription revenue increased to 30% in fiscal 2025 from 28% in fiscal 2024.

Cost of Services Revenue

Cost of services revenue of \$1.5 million in fiscal 2025 and 2024 remained consistent. The cost of total services revenue as a percentage of total services revenue increased slightly to 49% in fiscal 2025 from 48% in fiscal 2024. This increase is primarily due to the overall increase in personnel costs relative to total subscription revenue.

Gross Profit

Gross profit of \$10.2 million decreased \$(0.2) million, or (2)%, in fiscal 2025 compared to \$10.4 million for fiscal 2024. The gross profit margin was 67% and 68% for fiscal 2025 and 2024, respectively.

Operating Expenses

Sales and Marketing Expenses

Sales and marketing expenses of \$4.5 million in fiscal 2025 increased \$0.8 million, or 20%, from \$3.7 million in fiscal 2024. Sales and marketing expense as a percentage of total revenue increased to 29% in fiscal 2025 compared to 24% in fiscal 2024. The increase compared to the prior period is primarily attributable to higher marketing spend on leads and conferences, partially offset by lower personnel costs.

General and Administrative Expenses

General and administrative expenses of \$3.1 million in fiscal 2025 decreased \$(0.1) million, or (4)%, from \$3.3 million in fiscal 2024. General and administrative expense as a percentage of revenue was 20% in fiscal 2025 compared to 21% in fiscal 2024. The decrease compared to the prior period is primarily attributable to lower personnel costs.

Research and Development

Research and development expense of \$4.0 million in fiscal 2025 decreased \$(0.1) million, or (3)%, from \$4.2 million in fiscal 2024. Research and development expense as a percentage of total revenue decreased to 26% in fiscal 2025 compared to 27% for fiscal 2024. These decreases compared to the prior period are primarily attributable to lower personnel costs.

Depreciation and Amortization

Depreciation and amortization expense of \$0.8 million in fiscal 2025 decreased by \$(0.3) million, or (28)%, from \$1.1 million in fiscal 2024. Depreciation and amortization as a percentage of total revenue decreased to 5% in fiscal 2025 compared to 7% for fiscal 2024. The decrease was due to intangible assets that became fully amortized.

Restructuring and Acquisition Related Expenses

Restructuring and acquisition related expenses of \$0.2 million in fiscal 2025 remained consistent with 2024. During fiscal 2025 and 2024, expenses incurred were related to severance and merger and acquisition costs.

Loss from Operations

The loss from operations was \$(2.4) million for fiscal 2025 compared to a loss from operations of \$(2.0) million for fiscal 2024, an increase of \$0.4 million or 20%.

Interest expense and other, net

Interest expense and other, net, was \$(0.1) million of income in fiscal 2025 and 2024, which primarily consisted of non-recurring, non-operating costs.

Change in fair value of warrant liabilities

The Company recognized a loss related to the change in fair value of warrant liabilities of \$4 thousand for fiscal 2025, and a gain related to the change in fair value of warrant liabilities of \$0.1 million for fiscal 2024.

Provision for Income Taxes

The provision for (benefit from) income taxes was \$(39) thousand for fiscal 2025 and \$(43) thousand for fiscal 2024. Income tax expense consists of estimated liability for federal and state income taxes owed by the Company. Net operating loss ("NOL") carryforwards are estimated to be sufficient to offset any potential taxable income for all periods presented. A valuation allowance is established if it is more likely than not that all or a portion of the deferred tax asset will not be realized. The Company maintains a valuation allowance against its net deferred tax assets. As of September 30, 2025 and 2024, the Company had a valuation allowance on its net deferred tax assets of \$11.7 million and \$11.3 million, respectively.

The federal NOL carryforward is approximately \$37.4 million as of September 30, 2025 of which \$29.0 million is subject to the 20-year carryforward and expires on various dates through 2038. The remaining federal NOL carryforward of \$8.4 million is indefinite.

Net operating losses for taxable years beginning after December 31, 2017 carry forward indefinitely. Internal Revenue Code Section 382 places certain limitations on the amount of taxable income that can be offset by NOL carryforwards after a change in control of a loss corporation. Generally, after a change in control, a loss corporation cannot deduct NOL carryforwards in excess of the Section 382 limitation. Due to these "change of ownership" provisions, utilization of NOL carryforwards may be subject to an annual limitation on utilization against taxable income in future periods. The Company has not performed a Section 382 analysis. However, if performed, Section 382 may be found to limit potential future utilization of our NOL carryforwards. The Company also has approximately \$51.5 million in state NOLs which expire on various dates through 2045.

Adjusted EBITDA

We also measure our performance based on a non-GAAP ("Generally Accepted Accounting Principles") measurement of earnings before interest, taxes, depreciation, amortization, stock-based compensation expense, impairment of goodwill and intangible assets, non-cash warrant related income/expense, other income and expenses, change in fair value of derivative instruments, change in fair value of contingent consideration, and restructuring and acquisition related charges ("Adjusted EBITDA").

We believe this non-GAAP financial measure of Adjusted EBITDA is useful to management and investors in evaluating our operating performance for the periods presented and provides a tool for evaluating our ongoing operations.

Adjusted EBITDA, however, is not a measure of operating performance under accounting principles generally accepted in the United States of America ("U.S. GAAP") and should not be considered as an alternative or substitute for U.S. GAAP profitability measures such as (i) income from operations and net income, or (ii) cash flows from operating, investing and financing activities, both as determined in accordance with U.S. GAAP. Adjusted EBITDA as an operating performance measure has material limitations because it excludes the financial statement impact of income taxes, net interest expense, amortization of intangibles, depreciation, goodwill impairment, restructuring charges, acquisition related expenses, loss on disposal of assets, other amortization, changes in fair value of warrant liabilities, changes in fair value of contingent consideration and stock-based compensation, and therefore does not represent an accurate measure of profitability. As a result, Adjusted EBITDA should be evaluated in conjunction with net income (loss) for a complete analysis of our profitability, as net income (loss) includes the financial statement impact of these items and is the most directly comparable U.S. GAAP operating performance measure to Adjusted EBITDA. Our definition of Adjusted EBITDA may also differ from and therefore may not be comparable with similarly titled measures used by other companies, thereby limiting its usefulness as a comparative measure. Because of the limitations that Adjusted EBITDA has as an analytical tool, investors should not consider it in isolation, or as a substitute for analysis of our operating results as reported under U.S. GAAP.

The following table reconciles net income (loss) (which is the most directly comparable U.S. GAAP operating performance measure) to Adjusted EBITDA:

	Year Ended September 30,	
	2025	2024
Net loss	\$ (2,518)	\$ (1,961)
Provision for (benefit from) income tax	(39)	(43)
Interest expense and other, net	4	61
Change in fair value of warrants	4	(76)
Amortization of intangible assets	732	982
Depreciation and other amortization	62	130
Restructuring and acquisition related charges	242	210
Stock-based compensation	582	505
Adjusted EBITDA	<u>\$ (931)</u>	<u>\$ (192)</u>

Liquidity and Capital Resources

Cash Flows

Operating Activities

Cash used in operating activities was \$(1.1) million during fiscal 2025 compared to \$(0.8) million during fiscal 2024. The change in cash used in operating activities compared to the prior period was primarily due to a decrease in net earnings and changes in non-cash items, including changes in fair value of warrant liabilities, and amortization of intangible assets, and changes to accounts receivable, prepaid expenses and other current assets, accounts payable and accrued liabilities, as well as deferred revenue.

Investing Activities

Cash used in investing activities was \$(18) thousand during fiscal 2025 compared to \$(29) thousand during fiscal 2024. Cash used in investing activities during fiscal 2025 and 2024 was related primarily to purchases of property and equipment.

Financing Activities

Cash provided by financing activities was \$1.4 million during fiscal 2025 compared with cash used in financing activities of \$(0.2) million during fiscal 2024. Cash provided by financing activities during fiscal 2025 was primarily related to proceeds from the issuance of common stock, less cash used for the redemption of Preferred Series C shares and used for payment of long-term debt, and in fiscal 2024, payments of long-term debt was primarily used in financing activities.

Capital Resources and Liquidity Outlook

The Company has historically incurred operating losses and used cash on hand and from financing activities to fund operations as well as develop new products. The Company is continuing to maintain tight control over discretionary spending for the 2026 fiscal year. The Company believes that future revenues and cash flows will supplement its working capital and it has an appropriate cost structure to support future revenue growth.

The Company may offer and sell, from time to time, in one or more offerings, up to \$50 million of its debt or equity securities, or any combination thereof. Such securities offerings may be made pursuant to the Company's currently effective registration statement on Form S-3 (File No. 333-285176), which was initially filed with the Securities and Exchange Commission on February 24, 2025 and declared effective on February 27, 2025 (the "Shelf Registration Statement"). A complete description of the types of securities that the Company may sell is described in the Preliminary Prospectus contained in the Shelf Registration Statement. As of the date of the filing of this Annual Report, there are no active offerings for the sale or obligations to purchase any of the Company's securities pursuant to the Shelf Registration Statement. There can be no assurances that the Company will offer any securities for sale or that if the Company does offer any securities that it will be successful in selling any portion of the securities offered on a timely basis if at all, or on terms acceptable to us. Further, our ability to offer or sell such securities may be limited by rules of the NASDAQ Capital Market.

On March 24, 2025, the Company entered into a Securities Purchase Agreement with purchasers, pursuant to which the Company agreed to issue and sell, in a registered direct offering, an aggregate of 1,000,000 shares of the Company's common stock, par value \$0.001 per share, at an offering price of \$1.50 per share, for aggregate gross proceeds from the offering of approximately \$1.5 million before deducting the placement agent fee and related offering expenses (see Note 12). Proceeds after deducting offering expenses was \$1.3 million.

On March 25, 2025, the Company separately entered into a form of subscription agreement with certain accredited investors relating to a private placement transaction and sale (the "Private Placement") of 473,979 unregistered shares of the Company's common stock at an offering price of \$1.52 per share, for aggregate gross proceeds from the Private Placement of approximately \$720 thousand before deducting related offering expenses. Proceeds after deducting offering expenses was \$700 thousand.

Off-Balance Sheet Arrangements

At this time, we do not have any off-balance sheet arrangements, financings or other relationships with unconsolidated entities or other persons, other than our operating leases.

Contractual Obligations

We lease all our office space locations. The gross obligations for operating leases and subleases are \$0.1 million, with obligations extending through January 2028. Debt payments on our various debt obligations total \$0.3 million, of which \$0.2 million is expected to be paid in the next twelve months.

Critical Accounting Policies and Estimates

These critical accounting policies and estimates by our management should be read in conjunction with Note 2, *Summary of Significant Accounting Policies* to the Consolidated Financial Statements that were prepared in accordance with U.S. GAAP.

The preparation of consolidated financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses in the reporting periods. We regularly make estimates and assumptions that affect the reported amounts of assets and liabilities. The most significant estimates included in our consolidated financial statements are the valuation of accounts receivable and long-term assets, including intangibles, goodwill and deferred tax assets, stock-based compensation, amounts of revenue to be recognized on service contracts in progress, unbilled receivables, and deferred revenue. We base our estimates and assumptions on current facts, historical experience and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by us may differ materially and adversely from our estimates. To the extent there are material differences between our estimates and the actual results, our future results of operations will be affected.

We consider the following accounting policies to be both those most important to the portrayal of our financial condition and those that require the most subjective judgment:

- Revenue recognition;
- Accounts receivable;
- Accounting for goodwill and other intangible assets;
- Accounting for business combinations;
- Accounting for common stock purchase warrants; and
- Accounting for stock-based compensation.

Revenue Recognition

Overview

We derive our revenue from two sources: (i) Subscription, which are comprised of software subscription fees ("SaaS"), hosting and related services, maintenance for post-customer support ("PCS") on perpetual licenses, and perpetual software licenses, and (ii) Services, which are professional services to implement our products such as web development, digital strategy, information architecture and usability engineering search. Customers who license the software on a subscription basis, which can be described as "Software as a Service" or "SaaS", do not take possession of the software.

Revenue is recognized when control of these services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those services. If the consideration promised in a contract includes a variable amount, for example, overage fees, contingent fees or service level penalties, we include an estimate of the amount we expect to receive for the total transaction price if it is probable that a significant reversal of cumulative revenue recognized will not occur. Our subscription arrangements are non-cancelable and do not contain refund-type provisions. Revenue is reported net of applicable sales and use tax.

We recognize revenue from contracts with customers using a five-step model, as described below:

1. Identify the customer contract - A customer contract is generally identified when there is approval and commitment from both the Company and our customer, the rights have been identified, payment terms are identified, the contract has commercial substance and collectability and consideration is probable.
2. Identify performance obligations that are distinct - A performance obligation is a promise to provide a distinct good or service or a series of distinct goods or services. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer, and our promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.
3. Determine the transaction price - The transaction price is the amount of consideration to which we expect to be entitled to in exchange for transferring goods or services to a customer, excluding sales taxes that are collected on behalf of government agencies.
4. Allocate the transaction price to distinct performance obligations - The transaction price is allocated to each performance obligation based on the relative standalone selling prices ("SSP") of the goods or services being provided to the customer. We determine the SSP of our goods and services based upon the historical average sales prices for each type of software license and professional services sold.
5. Recognize revenue as the performance obligations are satisfied - Revenue is recognized when or as control of the promised goods or services is transferred to customers. Revenue from SaaS licenses is recognized ratably over the subscription period beginning on the date the license is made available to customers. Most subscription contracts are three-year terms. Customers who license the software on a perpetual basis receive rights to use the software for an indefinite time period and an option to purchase post-customer support ("PCS"). PCS revenue is recognized ratably on a straight-line basis over the period of performance and the perpetual license is recognized upon delivery. We also offer hosting services for those customers who purchase a perpetual license and do not want to run the software in their environment. Revenue from hosting is recognized ratably over the service period, ranging from one to three-year terms. We recognize revenue from professional services as the services are provided.

Customer Payment Terms

Payment terms with customers typically require payment 30 days from invoice date. Payment terms may vary by customer but generally do not exceed 45 days from invoice date. Invoicing for services are either monthly or upon achievement of milestones and payment terms for such billings are within the standard terms described above. Invoices for subscriptions and hosting are typically issued monthly and are generally due in the month of service. Our subscription and hosting agreements provide for refunds when service is interrupted for an extended period of time and are reserved for in the month in which they occur, if necessary.

Our services agreements with customers do not provide for any refunds for services or products and therefore no specific reserve for such is maintained. In the infrequent instances where customers raise a concern over delivered products or services, we have endeavored to remedy the concern and all costs related to such matters have been insignificant in all periods presented.

Warranty

Certain arrangements include a warranty period, which is generally 30 days from the completion of work. In hosting arrangements, we provide warranties of up-time reliability. We continue to monitor the conditions that are subject to the warranties to identify if a warranty claim may arise. If we determine that a warranty claim is probable, then any related cost to satisfy the warranty obligation is estimated and accrued. Warranty claims to date have been immaterial.

Accounts Receivable

The allowance for credit losses is determined based upon a variety of judgments and factors. Factors considered in determining the allowance include historical collection, write-off experience, and management's assessment of collectability from customers, including current conditions, reasonable forecasts, and expectations of future collectability and collection efforts. Management continuously assesses the collectability of receivables and adjusts estimates based on actual experience and future expectations based on economic indicators. Management also monitors the aging analysis of receivables to determine if there are changes in the collections of accounts receivable. Receivable balances are written-off against the allowance for credit losses when such balances are deemed to be uncollectible.

Accounting for Goodwill and Intangible Assets

Goodwill is tested for impairment annually during the fourth quarter of every fiscal year and more frequently if events and circumstances indicate that the asset might be impaired. The purpose of an impairment test is to identify any potential impairment by comparing the carrying value of a reporting unit including goodwill to its fair value. An impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit.

Factors that could lead to a future impairment include material uncertainties such as operational, economic and competitive factors specific to the key assumptions underlying the fair value estimate we use in our impairment testing that have a reasonable possibility of changing. This could include a significant reduction in projected revenues, a deterioration of projected financial performance, future acquisitions and/or mergers, and a decline in our market value as a result of a significant decline in our stock price.

Accounting for Business Combinations

We allocate the amount we pay for each acquisition to the assets acquired and liabilities assumed based on their fair values at the date of acquisition, including identifiable intangible assets which arise from a contractual or legal right or are separable from goodwill. We base the fair value of identifiable intangible assets acquired in a business combination on detailed valuations that use information and assumptions provided by management, which consider management's best estimates of inputs and assumptions that a market participant would use. We allocate any excess purchase price that exceeds the fair value of the net tangible and identifiable intangible assets acquired to goodwill. The use of alternative valuation assumptions, including estimated growth rates, cash flows and discounts rates and estimated useful lives could result in different purchase price allocations and amortization expense in current and future periods. Transaction costs associated with these acquisitions are expensed as incurred through general and administrative expense on the consolidated statements of operations. In those circumstances where an acquisition involves a contingent consideration arrangement, we recognize a liability equal to the fair value of the contingent payments expected to be made as of the acquisition date. We re-measure this liability each reporting period and recognizes changes in the fair value through income (loss) before income taxes within the consolidated statements of operations.

Accounting for Common Stock Purchase Warrants

We evaluate common stock warrants as they are issued to determine whether they should be classified as an equity instrument or a liability. Those warrants that are classified as a liability are carried at fair value at each reporting period, with changes in their fair value recognized in change in fair value of warrant liabilities in the consolidated statements of operations. The fair value of our warrant liabilities are valued utilizing Level 3 inputs. Warrant liabilities are valued using a Monte Carlo option-pricing model, which takes into consideration the volatilities of comparable public companies, due to the relatively low trading volume of our common stock. The Monte Carlo option-pricing model uses certain assumptions, including expected life and annual volatility.

Accounting for Stock-Based Compensation

At September 30, 2025, we maintained two stock-based compensation plans, one of which has expired but still contains vested stock options. The two plans are more fully described in Note 12 – Stockholders' Equity of these consolidated financial statements.

We account for stock-based compensation awards in accordance with ASC 718, *Compensation-Stock Compensation*. Share-based payments (to the extent they are compensatory) are recognized in our consolidated statements of operations based on their fair values.

We recognize stock-based compensation expense for share-based payments issued that are expected to vest on a straight-line basis over the service period of the award, which is generally three years. In determining whether an award is expected to vest, we use an estimated, forward-looking forfeiture rate based upon our historical forfeiture rate and reduce the expense over the recognition period. Estimated forfeiture rates are updated for actual forfeitures quarterly. We also consider, each quarter, whether there have been any significant changes in facts and circumstances that would affect our forfeiture rate. Although we estimate forfeitures based on historical experience, actual forfeitures in the future may differ. In addition, to the extent our actual forfeitures are different than our estimates, we recognize a true-up for the difference in the period that the awards vest, and such true-ups could materially affect our operating results.

We estimate the fair value of stock options using the Black-Scholes-Merton option valuation model. The fair value of an award is affected by our stock price on the date of grant as well as other assumptions, including the estimated volatility of our stock price over the term of the awards and the estimated period of time that we expect employees to hold their stock options. The risk-free interest rate assumption we use is based upon United States Treasury interest rates appropriate for the expected life of the awards. We use the historical volatility of our publicly traded options in order to estimate future stock price trends. In order to determine the estimated period of time that we expect employees to hold their stock options, we use historical trends of employee turnovers. Our expected dividend rate is zero since we do not currently pay cash dividends on our common stock and do not anticipate doing so in the foreseeable future. The aforementioned inputs entered into the option valuation model we use to fair value our stock awards are subjective estimates and changes to these estimates will cause the fair value of our stock awards and related stock-based compensation expense we recognize to vary.

We recognize deferred tax assets for stock-based awards that result in deductions on our income tax returns, based on the amount of stock-based compensation recognized and the statutory tax rate in the jurisdiction in which we will receive a tax deduction.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not required.

Item 8. Financial Statements and Supplementary Data.

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Report of Independent Registered Public Accounting Firm

**To the Shareholders and Board of Directors
Bridgeline Digital, Inc.**

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Bridgeline Digital, Inc. and Subsidiaries (the "Company") as of September 30, 2025 and 2024, and the related consolidated statements of operations, comprehensive income/(loss), stockholders' equity, and cash flows for each of the two years in the period ended September 30, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2025 and 2024, and the results of its operations and its cash flows for each of the two years in the period ended September 30, 2025, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there were no critical audit matters.

We have served as the Company's auditor since 2021.

/s/ PKF O'Connor Davies, LLP

New York, New York
December 18, 2025

PCAOB ID No. 127

BRIDGELINE DIGITAL, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	As of September 30,	
	2025	2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,626	\$ 1,390
Accounts receivable, net	1,542	1,288
Prepaid expenses and other current assets	310	269
Total current assets	3,478	2,947
Property and equipment, net	46	74
Operating lease assets	134	163
Intangible assets, net	3,176	3,908
Goodwill, net	8,468	8,468
Other assets	24	42
Total assets	<u>\$ 15,326</u>	<u>\$ 15,602</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 156	\$ 282
Current portion of operating lease liabilities	61	157
Accounts payable	1,684	1,112
Accrued liabilities	819	988
Deferred revenue	2,262	2,189
Total current liabilities	4,982	4,728
Long-term debt, net of current portion	170	244
Operating lease liabilities, net of current portion	73	6
Warrant liabilities	102	98
Other long-term liabilities	431	520
Total liabilities	<u>5,758</u>	<u>5,596</u>
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Preferred stock - \$0.001 par value; 1,000,000 shares authorized;		
Series C Convertible Preferred stock: 11,000 shares authorized; 0 shares issued and outstanding at September 30, 2025 and 350 shares issued and outstanding at September 30, 2024	-	-
Common stock - \$0.001 par value; 50,000,000 shares authorized; 12,224,399 shares issued and outstanding at September 30, 2025 and 10,417,609 shares issued and outstanding at September 30, 2024	12	10
Additional paid-in capital	103,924	101,833
Accumulated deficit	(94,056)	(91,538)
Accumulated other comprehensive loss	(312)	(299)
Total stockholders' equity	<u>9,568</u>	<u>10,006</u>
Total liabilities and stockholders' equity	<u>\$ 15,326</u>	<u>\$ 15,602</u>

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

BRIDGELINE DIGITAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)

	Years Ended September 30,	
	2025	2024
Net revenue:		
Subscription	\$ 12,355	\$ 12,134
Services	3,028	3,224
Total net revenue	<u>15,383</u>	<u>15,358</u>
Cost of revenue:		
Subscription	3,654	3,392
Services	1,488	1,532
Total cost of revenue	<u>5,142</u>	<u>4,924</u>
Gross profit	<u>10,241</u>	<u>10,434</u>
Operating expenses:		
Sales and marketing	4,474	3,715
General and administrative	3,149	3,282
Research and development	4,024	4,160
Depreciation and amortization	779	1,086
Restructuring and acquisition related expenses	242	210
Total operating expenses	<u>12,668</u>	<u>12,453</u>
Loss from operations	(2,427)	(2,019)
Interest expense and other, net	(126)	(61)
Change in fair value of warrant liabilities	(4)	76
Loss before income taxes	<u>(2,557)</u>	<u>(2,004)</u>
Provision for (benefit from) income taxes	<u>(39)</u>	<u>(43)</u>
Net loss	<u>\$ (2,518)</u>	<u>\$ (1,961)</u>
Redemption of Series C Convertible Preferred Stock	(331)	-
Net loss attributable to common shareholders	<u>\$ (2,849)</u>	<u>\$ (1,961)</u>
Net loss per share attributable to common stockholders:		
Basic	\$ (0.25)	\$ (0.19)
Diluted	\$ (0.25)	\$ (0.19)
Number of weighted average shares outstanding:		
Basic	11,227,586	10,417,609
Diluted	11,227,586	10,417,609

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

BRIDGELINE DIGITAL, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
(in thousands)

	Year Ended September 30,	
	2025	2024
Net loss	\$ (2,518)	\$ (1,961)
Other comprehensive income (loss):		
Net change in foreign currency translation adjustment	(13)	(51)
Comprehensive loss	(2,531)	(2,012)
Redemption of Series C Convertible Preferred Stock	(331)	-
Comprehensive loss attributable to common shareholders	<u>\$ (2,862)</u>	<u>\$ (2,012)</u>

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

BRIDGELINE DIGITAL, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except share data)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at September 30, 2023	350	\$ -	10,417,609	\$ 10	\$ 101,275	\$ (89,577)	\$ (248)	\$ 11,460
Stock-based compensation expense	-	-	-	-	558	-	-	558
Net loss	-	-	-	-	-	(1,961)	-	(1,961)
Foreign currency translation	-	-	-	-	-	-	(51)	(51)
Balance at September 30, 2024	350	\$ -	10,417,609	\$ 10	\$ 101,833	\$ (91,538)	\$ (299)	\$ 10,006
Stock-based compensation expense	-	-	-	-	582	-	-	582
Redemption of Series C Convertible Preferred Stock (Note 12)	(350)	-	-	-	(331)	-	-	(331)
Issuance of common stock, net of offering costs	-	-	1,473,979	2	1,981	-	-	1,983
Issuance of common stock - stock options exercised	-	-	67,173	-	20	-	-	20
Withholding tax on share-based compensation (Note 12)	-	-	-	-	(161)	-	-	(161)
Issuance of restricted common stock	-	-	265,638	-	-	-	-	-
Net loss	-	-	-	-	-	(2,518)	-	(2,518)
Foreign currency translation	-	-	-	-	-	-	(13)	(13)
Balance at September 30, 2025	-	\$ -	12,224,399	\$ 12	\$ 103,924	\$ (94,056)	\$ (312)	\$ 9,568

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

BRIDGELINE DIGITAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended September 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (2,518)	\$ (1,961)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of intangible assets	732	982
Depreciation and other amortization	62	130
Change in fair value of warrant liabilities	4	(76)
Stock-based compensation	582	558
Deferred income taxes	(57)	(65)
Changes in operating assets and liabilities		
Accounts receivable	(261)	(280)
Prepaid expenses and other current assets	(38)	7
Other assets	5	3
Accounts payable and accrued liabilities	321	(160)
Deferred revenue	105	95
Other liabilities	(41)	2
Total adjustments	1,414	1,196
Net cash used in operating activities	(1,104)	(765)
Cash flows used in investing activities:		
Purchase of property and equipment	(18)	(29)
Cash flows from financing activities:		
Proceeds from issuance of common stock, net of offering costs	1,983	-
Proceeds from stock option exercised	20	-
Redemption of Series C Convertible Preferred Stock and warrants	(331)	-
Withholding tax on share-based compensation	(86)	-
Payments of long-term debt	(226)	(209)
Net cash provided by (used in) financing activities	1,360	(209)
Effect of exchange rate changes on cash and cash equivalents		
Net increase (decrease) in cash and cash equivalents	236	(987)
Cash and cash equivalents at beginning of year	1,390	2,377
Cash and cash equivalents at end of year	\$ 1,626	\$ 1,390
Supplemental disclosures of cash flow information:		
Cash paid for:		
Interest	\$ 17	\$ 29
Income taxes	\$ 21	\$ 21
Non-cash financing activities:		
Withholding tax included in accounts payable	\$ 75	\$ -

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

BRIDGELINE DIGITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

1. Description of Business

Overview

Bridgeline Digital is an AI-powered marketing technology company that offers a suite of products that help companies grow online revenue by driving more visitors to their websites, converting more visitors to purchasers, and increasing average order value per purchaser.

Bridgeline's software is available through a cloud-based Software as a Service ("SaaS") model. Additionally, Bridgeline's software is available via a perpetual licensing business model, in which the software can reside on premises at the customer's facility, or manage-hosted by Bridgeline. Bridgeline's product offerings include:

- HawkSearch: a site search, recommendation, and personalization software application, built for marketers to enhance, normalize, and enrich an online customer's content search and product discovery experience.
- Celebros Search: a commerce-oriented site search product that provides Natural Language Processing with artificial intelligence to present relevant search results based on long-tail keyword searches.
- Woorank: a Search Engine Optimization ("SEO") audit tool that generates an instant performance audit of the site's technical, on-page, and off-page SEO.
- Unbound: a Digital Experience Platform that includes Web Content Management, eCommerce, Digital Marketing, and Web Analytics.
- TruPresence: a web content management and eCommerce platform that supports the needs of multi-unit organizations and franchises.
- OrchestraCMS: the only content and digital experience platform built 100% native on Salesforce and helps customers create websites and intranets for their customers, partners, and employees.

Bridgeline Digital was incorporated under the laws of the State of Delaware on August 28, 2000.

The Company has four wholly-owned subsidiaries: Bridgeline Digital Pvt. Ltd., located in Bangalore, India; Bridgeline Digital Canada, Inc., located in Ontario, Canada; Hawk Search Inc. located in Rosemont, Illinois and Bridgeline Digital Belgium BV, located in Brussels, Belgium.

The Company's corporate headquarters is located in Woburn, Massachusetts. The Company maintains regional field offices serving the following geographical locations: Garden City, NY; Rosemont, IL; Atascadero, CA; Ontario, Canada; and Brussels, Belgium.

Liquidity and Management's Plans

The Company has historically incurred operating losses and used cash on hand and from financing activities to fund operations as well as develop new products. The Company is continuing to maintain tight control over discretionary spending for the 2026 fiscal year. The Company believes that future revenues and cash flows will supplement its working capital and it has an appropriate cost structure to support future revenue growth.

The Company may offer and sell, from time to time, in one or more offerings, up to \$50 million of its debt or equity securities, or any combination thereof. Such securities offerings may be made pursuant to the Company's currently effective registration statement on Form S-3 (File No. 333-285176), which was initially filed with the Securities and Exchange Commission on February 24, 2025 and declared effective on February 27, 2025 (the "Shelf Registration Statement"). A complete description of the types of securities that the Company may sell is described in the Preliminary Prospectus contained in the Shelf Registration Statement. As of the date of the filing of this Annual Report, there are no active offerings for the sale or obligations to purchase any of the Company's securities pursuant to the Shelf Registration Statement. There can be no assurances that the Company will offer any securities for sale or that if the Company does offer any securities that it will be successful in selling any portion of the securities offered on a timely basis if at all, or on terms acceptable to us. Further, our ability to offer or sell such securities may be limited by rules of the NASDAQ Capital Market.

On March 24, 2025, the Company entered into a Securities Purchase Agreement with purchasers, pursuant to which the Company agreed to issue and sell, in a registered direct offering, an aggregate of 1,000,000 shares of the Company's common stock, par value \$0.001 per share, at an offering price of \$1.50 per share, for aggregate gross proceeds from the offering of approximately \$1.5 million before deducting the placement agent fee and related offering expenses (see Note 12). Proceeds after deducting offering expenses was \$1.3 million.

On March 25, 2025, the Company separately entered into a form of subscription agreement with certain accredited investors relating to a private placement transaction and sale (the "Private Placement") of 473,979 unregistered shares of the Company's common stock at an offering price of \$1.52 per share, for aggregate gross proceeds from the Private Placement of approximately \$720 thousand before deducting related offering expenses. Proceeds after deducting offering expenses was \$700 thousand.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The Company's fiscal year end is September 30th. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant inter-company balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with United States generally accepted accounting principles ("GAAP") requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported periods. The most significant estimates included in these consolidated financial statements are the valuation of accounts receivable, including the adequacy of the allowance for credit losses, valuation of long-lived assets, recognition and measurement of deferred revenues, fair value measurements related to the valuation of warrants and deferred tax valuation allowance. The complexity of the estimation process and factors relating to assumptions, risks and uncertainties inherent with the use of the estimates affect the amount of revenue and related expenses reported in the Company's consolidated financial statements. Internal and external factors can affect the Company's estimates. Actual results could differ from these estimates under different assumptions or conditions.

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Cash and Cash Equivalents

The Company considers all highly liquid instruments with original maturity of three months or less from the date of purchase to be cash equivalents.

The Company's cash is maintained with what management believes to be high-credit quality financial institutions. At times, deposits held at these banks may exceed the insured limits. Management believes that the financial institutions that hold the Company's deposits are financially sound and have minimal credit risk. Risks associated with cash and cash equivalents are mitigated by the Company's investment policy, which limits the Company's investing of excess cash into only money market mutual funds.

Concentration of Credit Risk, Significant Customers, and Off-Balance Sheet Risk

Financial instruments which potentially expose the Company to concentrations of credit risk consist primarily of cash, cash equivalents, and accounts receivable.

The Company extends credit to customers on an unsecured basis in the normal course of business. Management performs ongoing credit evaluations of its customers' financial condition and limits the amount of credit when deemed necessary. Accounts receivable are carried at original invoice amount, less an estimate for credit losses based on a review of all outstanding amounts.

The Company has no off-balance sheet risks such as foreign exchange contracts, interest rate swaps, option contracts or other foreign hedging agreements.

Accounts Receivable

The allowance for credit losses is determined based upon a variety of judgments and factors. Factors considered in determining the allowance include historical collection, write-off experience, and management's assessment of collectability from customers, including current conditions, reasonable forecasts, and expectations of future collectability and collection efforts. Management continuously assesses the collectability of receivables and adjusts estimates based on actual experience and future expectations based on economic indicators. Management also monitors the aging analysis of receivables to determine if there are changes in the collections of accounts receivable. Receivable balances are written-off against the allowance for credit losses when such balances are deemed to be uncollectible.

Revenue Recognition

The Company derives its revenue from two sources: (i) Subscription, which are comprised of software subscription fees ("SaaS"), hosting and related services, maintenance for post-customer support ("PCS") on perpetual licenses, and perpetual software licenses, and (ii) Services, which are professional services to implement our products such as web development, digital strategy, information architecture and usability engineering search. Customers who license the software on a subscription basis, which can be described as "Software as a Service" or "SaaS," do not take possession of the software.

Revenue is recognized when control of these services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services. If the consideration promised in a contract includes a variable amount, for example, overage fees, contingent fees or service level penalties, the Company includes an estimate of the amount it expects to receive for the total transaction price if it is probable that a significant reversal of cumulative revenue recognized will not occur. The Company's subscription arrangements are non-cancelable and do not contain refund-type provisions. Revenue is reported net of applicable sales and use tax.

The Company recognizes revenue from contracts with customers using a five-step model as described below:

1. Identify the customer contract - A customer contract is generally identified when there is approval and commitment from both the Company and its customer, the rights have been identified, payment terms are identified, the contract has commercial substance and collectability and consideration is probable.
2. Identify performance obligations that are distinct - A performance obligation is a promise to provide a distinct good or service or a series of distinct goods or services. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer, and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.
3. Determine the transaction price - The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer, excluding sales taxes that are collected on behalf of government agencies.
4. Allocate the transaction price to distinct performance obligations - The transaction price is allocated to each performance obligation based on the relative standalone selling prices ("SSP") of the goods or services being provided to the customer. The Company determines the SSP of its goods and services based upon the historical average sales prices for each type of software license and professional services sold.
5. Recognize revenue as the performance obligations are satisfied - Revenue is recognized when or as control of the promised goods or services is transferred to customers. Revenue from SaaS licenses is recognized ratably over the subscription period beginning on the date the license is made available to customers. Most subscription contracts are three-year terms. Customers who license the software on a perpetual basis receive rights to use the software for an indefinite time period and an option to purchase post-customer support ("PCS"). PCS revenue is recognized ratably on a straight-line basis over the period of performance and the perpetual license is recognized upon delivery. The Company also offers hosting services for those customers who purchase a perpetual license and do not want to run the software in their environment. Revenue from hosting is recognized ratably over the service period, ranging from one to three-year terms. The Company recognizes revenue from professional services as the services are provided.

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Disaggregation of Revenue

The Company provides disaggregation of revenue based on geography and product groupings (see Note 15) as it believes this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Customer Payment Terms

Payment terms with customers typically require payment 30 days from invoice date. Payment terms may vary by customer but generally do not exceed 45 days from invoice date. Invoicing for services is either monthly or upon achievement of milestones and payment terms for such billings are within the standard terms described above. Invoices for subscriptions and hosting are typically issued monthly and are generally due in the month of service.

Warranty

Certain arrangements include a warranty period, which is generally 30 days from the completion of work. In hosting arrangements, the Company provides warranties of up-time reliability. The Company continues to monitor the conditions that are subject to the warranties to identify if a warranty claim may arise. If it is determined that a warranty claim is probable, then any related cost to satisfy the warranty obligation is estimated and accrued. Warranty claims to date have been immaterial.

Property and Equipment

The components of property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the related assets (three to five years). Leasehold improvements are amortized using the straight-line method over the lesser of the estimated useful life of the asset or the lease term. Repairs and maintenance costs are expensed as incurred.

Internal-Use Software

Costs incurred in the preliminary stages of development were expensed as incurred. Once an application had reached the development stage, internal and external costs, if direct and incremental, were capitalized until the software was substantially complete and ready for its intended use. Capitalization ceased upon completion of all substantial testing. The Company also capitalized costs related to specific upgrades and enhancements when it was probable that the expenditures would result in additional functionality. Capitalized costs were recognized as part of equipment and improvements. Training costs were expensed as incurred. Internal use software was amortized on a straight-line basis over its estimated useful life, generally three years.

Implementation costs incurred in cloud-computing arrangements that are a service contract are capitalized and amortized over the life of the arrangement.

Research and Development and Software Development Costs

Costs for research and development of a software product to sell, lease or otherwise market are charged to operations as incurred until technological feasibility has been established. Once technological feasibility has been established, certain software development costs incurred during the application development stage are eligible for capitalization. Based on the Company's software product development process, technological feasibility is established upon completion of a working model.

Software development costs that are capitalized are amortized to cost of sales over the estimated useful life of the software, typically three years. Capitalization ceases when a product is available for general release to customers. Capitalization costs are included in other assets in the consolidated financial statements. The Company did not incur any development costs during fiscal 2025 and fiscal 2024.

Intangible Assets

All intangible assets have finite lives and are stated at cost, net of amortization. Amortization is computed over the estimated useful life of the related assets on a straight-line method as follows:

Description	Estimated Useful Life (in years)
Technology	3 - 5
Customer related	3 - 10
Domain and trade names	1 - 15

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net assets acquired in each business combination. Goodwill is not amortized, but it is subject to an annual assessment for impairment, which the Company performs during the fourth quarter, or more frequently if events occur or circumstances change such that it is more likely than not that an impairment may exist. Goodwill is assessed at the consolidated level as one reporting unit.

In applying the goodwill impairment test, the Company has the option to perform a qualitative test (also known as "Step 0") or a quantitative test ("Step 1"). Under the Step 0 test, the Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. Qualitative factors may include, but are not limited to, economic conditions, industry and market considerations, cost factors, overall financial performance of the reporting unit and other entity and reporting unit specific events. If after assessing these qualitative factors, the Company determines it is "more-likely-than-not" that the fair value of the reporting unit is less than the carrying value, then performing the Step 1 quantitative test is necessary.

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Step 1 of the quantitative test requires comparison of the fair value of the reporting unit to the respective carrying value. If the carrying value of the reporting unit is less than the fair value, no impairment exists. Otherwise, the Company would recognize an impairment charge for the amount by which the carrying amount of the reporting unit exceeds its fair value up to the amount of goodwill.

The Company generally estimates the fair value using a weighting of the income and market approaches. The Company uses industry accepted valuation models. Under the income approach, the Company uses a discounted cash flow methodology which requires management to make significant estimates and assumptions related to forecasted revenues, gross profit margins, operating income margins, working capital cash flow, perpetual growth rates, and long-term discount rates, among others. For the market approach, the Company uses the guideline public company method. Under this method, the Company utilizes information from comparable publicly traded companies with similar operating and investment characteristics as the reporting unit, to create valuation multiples that are applied to the operating performance of the reporting unit being tested, in order to obtain their respective fair values. The Company also reconciles the aggregate fair values of its reporting unit to its current market capitalization, allowing for a reasonable control premium.

Valuation of Long-Lived Assets

The Company periodically reviews its long-lived assets, which consist primarily of property and equipment and intangible assets with finite lives, for impairment whenever events or changes in circumstances indicate the carrying amount of such assets may exceed their fair value. Recoverability of these assets is assessed using a number of factors, including operating results, business plans, budgets, economic projections and undiscounted cash flows.

In addition, the Company's evaluation considers non-financial data such as market trends, product development cycles and changes in management's market emphasis. For the definite-lived intangible asset impairment review, the carrying value of the intangible assets is compared against the estimated undiscounted cash flows to be generated over the remaining life of the intangible assets. To the extent that the undiscounted future cash flows are less than the carrying value, the fair value of the asset is determined. If such fair value is less than the current carrying value, the asset is written down to the estimated fair value. There were no impairments of long-lived assets in fiscal 2025 or 2024.

Business Combinations

The Company allocates the amount it pays for each acquisition to the assets acquired and liabilities assumed based on their fair values at the date of acquisition, including identifiable intangible assets which arise from a contractual or legal right or are separable from goodwill. The Company bases the fair value of identifiable intangible assets acquired in a business combination on detailed valuations that use information and assumptions provided by management, which consider management's best estimates of inputs and assumptions that a market participant would use. The Company allocates any excess purchase price that exceeds the fair value of the net tangible and identifiable intangible assets acquired to goodwill. The use of alternative valuation assumptions, including estimated growth rates, cash flows and discounts rates and estimated useful lives could result in different purchase price allocations and amortization expense in current and future periods. Transaction costs associated with these acquisitions are expensed as incurred through acquisition related expenses on the consolidated statements of operations. In those circumstances where an acquisition involves a contingent consideration arrangement, the Company recognizes a liability equal to the fair value of the contingent payments expected to be made as of the acquisition date. The Company re-measures this liability for each reporting period and recognizes changes in the fair value through income (loss) before income taxes within the consolidated statements of operations.

Foreign Currency

The Company determines the appropriate method of measuring assets and liabilities as to whether the method should be based on the functional currency of the entity in the environment in which it operates or the reporting currency of the Company, the U.S. dollar. The Company has determined that the functional currency of its foreign subsidiaries are the local currencies of their respective jurisdictions. Assets and liabilities are translated into U.S. dollars at exchange rates in effect at the balance sheet date. Equity accounts are translated at historical rates, except for the change in retained earnings as a result of the income statement translation process. Revenue and expense items are translated into U.S. dollars at average exchange rates for the period. The adjustments are recognized as a separate component of stockholders' equity and are included in accumulated other comprehensive income (loss). The Company's foreign currency translation net gains (losses) for fiscal 2025 and 2024 were \$(13) and \$(51), respectively. Transaction gains and losses related to monetary assets and liabilities denominated in a currency different from a subsidiary's functional currency are included in the consolidated statements of operations.

Segment Information

The Company operates as one operating segment, Software, in the business of marketing technology. Our chief executive officer is our chief operating decision makers ("CODM"), and reviews financial information on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance.

Stock-Based Compensation

The Company accounts for stock-based compensation in the consolidated statements of operations based on the fair values of the awards on the date of grant on a straight-line basis over their vesting term. Compensation expense is recognized only for share-based payments expected to vest. The Company estimates forfeitures at the date of grant based on the Company's historical experience and future expectations.

Common Stock Purchase Warrants

The Company estimates the fair value of common stock warrants issued to non-employees using a binomial options pricing model. The Company evaluates common stock warrants as they are issued to determine whether they should be classified as an equity instrument or a liability. Those warrants that are classified as a liability are carried at fair value at each reporting period, with changes in their fair value recognized in change in fair value of warrant liabilities in the consolidated statements of operations.

Advertising Costs

Advertising costs are expensed when incurred. Such costs were \$534 thousand and \$74 thousand for fiscal 2025 and 2024, respectively.

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Employee Benefits

The Company sponsors a contributory 401(k) plan allowing all full-time employees who meet prescribed service requirements to participate. The Company is not required to make matching contributions, although the plan provides for discretionary contributions by the Company. The Company made no contributions in either fiscal 2025 or fiscal 2024.

Income Taxes

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the U.S. Key provisions of the OBBBA including making permanent certain aspects of the Tax Cuts and Jobs Act, which was enacted into U.S. law on December 22, 2017. This includes modifying certain international tax rules and restoring provisions that accelerate deductions for certain business investments and expenditures. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented in subsequent years. The OBBBA did not have a material impact on the Company's consolidated financial statements for the fiscal year ended September 30, 2025, and the Company does not expect the changes to have a material impact on the provision of income taxes or net income in the future periods.

Effective in the current fiscal year ended September 30, 2025, foreign jurisdictions in which the Company operates have enacted legislation to adopt a minimum tax rate described in the Global Anti-Base Erosion tax model rules (referred to as GloBE or Pillar II) issued by the Organization for Economic Co-operation and Development ("OECD"). A minimum ETR of 15% would apply to multinational companies with consolidated revenue over €750 million. Under the GloBE rules, a company would be required to determine a combined ETR for all entities located in a jurisdiction. If the jurisdictional tax rate is less than 15%, an additional tax generally will be due to bring the jurisdictional effective tax rate up to 15%. As of September 30, 2025, the Pillar II minimum tax does not apply on the Company's full year results of operations or financial position.

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the Company's consolidated financial statements and tax returns. Deferred income taxes are recognized based on temporary differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the temporary differences are expected to reverse. Valuation allowances are provided if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company provides for reserves for potential payments of taxes to various tax authorities related to uncertain tax positions. Reserves are based on a determination of whether and how much of a tax benefit taken by the Company in its tax filings or positions is "more likely than not" to be realized following resolution of any uncertainty related to the tax benefit, assuming that the matter in question will be raised by the tax authorities. Interest and penalties associated with uncertain tax positions are included in the provision for benefit from income taxes.

The Company does not provide for U.S. income taxes on the undistributed earnings of its foreign subsidiaries, which the Company considers to be permanent investments.

The Company recognizes deferred tax assets for stock-based awards that result in future deductible amounts on our income tax returns, based on the amount of stock-based compensation recognized and the statutory tax rate in the jurisdiction in which we will receive a tax deduction.

Net Loss Per Share

The Company presents basic and diluted loss per share information for its common stock. Basic net loss per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding. Diluted net loss per share attributable to common stockholders is computed using the weighted average number of common shares outstanding during the period plus the dilutive effect of the weighted average of outstanding stock options and warrants using the "treasury stock" method and convertible preferred stock using the as-if-converted method. The computation of diluted earnings per share does not include the effect of outstanding stock options, warrants and convertible preferred stock that are considered anti-dilutive.

Recently Adopted Accounting Standards

Segment Reporting

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires that an entity report segment information in accordance with Topic 280, Segment Reporting. The amendment in the ASU is intended to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The amendments in this Update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The adoption of ASU 2023-07 did not have a material impact to the Company's consolidated financial statements other than enhanced disclosures. See Note 16.

Recently Issued Accounting Pronouncements Not Yet Effective

Income Taxes

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires that an entity, on an annual basis, disclose additional income tax information, primarily related to the rate reconciliation and income taxes paid. The amendment in the ASU is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in this Update are effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the impact of the new standard on its consolidated financial statements which is expected to result in enhanced disclosures.

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Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires that an entity disclose, in the notes to financial statements, specified information about certain costs and expenses. The amendment in the ASU is intended to enhance the transparency and decision usefulness to better understand the major components of an entity’s income statement. The amendments in this Update are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact of the new standard on its consolidated financial statements which is expected to result in enhanced disclosures.

Intangibles—Goodwill and Other—Internal-Use Software

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. The ASU eliminates the concept of development stages and introduces a "probable-to-complete" threshold for capitalization of internal-use software costs. The amendments in this Update are effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact of the new standard on its consolidated financial statements which is not expected to have a material impact.

Interim Reporting

In December 2025, the FASB issued ASU No. 2025-11, *Interim Reporting (Topic 270)*. The ASU improves the navigability of the required interim disclosures and clarifies when the guidance is applicable, as well as provides additional guidance on what disclosures should be provided in interim reporting periods. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods beginning after December 15, 2028. The Company is currently evaluating the impact of the new standard on its consolidated financial statements which is not expected to have a material impact.

All other Accounting Standards Updates issued but not yet effective are not expected to have a material effect on the Company’s future consolidated financial statements or related disclosures.

3. Accounts Receivable

Accounts receivable consist of the following:

	As of September 30,	
	2025	2024
Accounts receivable	\$ 1,887	\$ 1,551
Allowance	(345)	(263)
Accounts receivable, net	\$ 1,542	\$ 1,288

As of and for the year ended September 30, 2025 one customer exceeded 10% of accounts receivable. As of and for the year ended September 30, 2024, no customers exceeded 10% of accounts receivable. As of and for the years ended September 30, 2025 and 2024, no customers exceeded 10% of the Company’s total revenues.

Allowance for Credit Losses

The following illustrates the activity in our allowance for credit losses on accounts receivable:

Balance as of October 1, 2024	\$ 263
Provision for credit losses	190
Write-off/adjustments	(108)
Balance as of September 30, 2025	\$ 345

4. Property and equipment

Property and equipment consist of the following:

	As of September 30,	
	2025	2024
Furniture and fixtures	\$ 170	\$ 166
Purchased software	18	18
Computer equipment	260	243
Leasehold improvements	203	205
Total cost	651	632
Less accumulated depreciation and amortization	(605)	(558)
Property and equipment, net	\$ 46	\$ 74

Depreciation and amortization on the above assets were \$47 and \$102 in fiscal 2025 and 2024, respectively.

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5. Fair Value Measurement and Fair Value of Financial Instruments

The Company's financial instruments consist principally of accounts receivable, accounts payable, warrant liabilities, contingent consideration and long-term debt arrangements. The Company measures its financial assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., exit price) in an orderly transaction between market participants at the measurement date. Additionally, under U.S. GAAP, companies are required to provide disclosure and categorize assets and liabilities measured at fair value into one of three different levels depending on the assumptions (i.e., inputs) used in the valuation. Level 1 provides the most reliable measure of fair value while Level 3 generally requires significant management judgment. Financial assets and liabilities are classified in their entirety based on the lowest level of input significant to the fair value measurement. The fair value hierarchy is defined as follows:

Level 1—Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2—Valuations are based on quoted prices for similar assets or liabilities in active markets, or quoted prices in markets that are not active for which significant inputs are observable, either directly or indirectly.

Level 3—Valuations are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management's best estimate of what market participants would use in valuing the asset or liability at the measurement date.

The carrying value of the Company's accounts receivable and accounts payable approximate their fair value due to their short-term nature. As of September 30, 2025 and 2024, the aggregate fair values of long-term debts were \$0.3 million and \$0.6 million, respectively, with an aggregate carrying value of \$0.3 million and \$0.5 million, respectively. The fair value is based on interest rates that are currently available to the Company for issuance of debt with similar terms and remaining maturities. If measured at fair value in the consolidated financial statements, the debt would be classified as Level 2 in the fair value hierarchy.

The Company's warrant liabilities are measured at fair value at each reporting period with changes in fair value recognized in earnings during the period. The fair value of the Company's warrant liabilities are valued utilizing Level 3 inputs. Warrant liabilities are valued using a Monte Carlo option-pricing model, which takes into consideration the volatilities of comparable public companies, due to the relatively low trading volume of the Company's common stock. The Monte Carlo option-pricing model uses certain assumptions, including expected life and annual volatility. The range and weighted average volatilities of comparable public companies utilized was 25.1% - 78.4% and 47.9%, respectively, as of September 30, 2025, and 21% - 55% and 40.3%, respectively, as of September 30, 2024. The volatility utilized in the Monte Carlo option-pricing model was determined by weighing 60% to the Company-specific volatility and 40% on comparable public companies. The significant inputs and assumptions utilized were as follows:

	As of September 30, 2025		As of September 30, 2024	
	Montage Capital	Series D Preferred	Montage Capital	Series D Preferred
Volatility	51.0%	72.1%	51.0%	52.5%
Risk-free rate	4.8%	3.7%	4.8%	3.7%
Stock price	\$ 1.32	\$ 1.32	\$ 1.15	\$ 1.15

The Company recognized a loss of \$4 thousand and a gain of \$0.1 million for the years ended September 30, 2025 and 2024, respectively, related to the change in fair value of warrant liabilities. The changes in fair value of warrant liabilities were due to changes in inputs, primarily a change in the stock price and the risk-free rate, to the Monte Carlo option-pricing model.

The Company's goodwill (see Note 6) was from arrangements resulting from acquisitions, completed in prior periods not presented. Assets and liabilities of the Company measured at fair value as of September 30, 2025 and 2024, are as follows.

	As of September 30, 2025			Total
	Level 1	Level 2	Level 3	
Liabilities:				
Warrant liabilities:				
Montage	\$ -	\$ -	\$ 2	\$ 2
Series D	-	-	100	100
Total warrant liabilities	\$ -	\$ -	\$ 102	\$ 102
	As of September 30, 2024			Total
	Level 1	Level 2	Level 3	
Liabilities:				
Warrant liabilities:				
Montage	\$ -	\$ -	\$ 10	\$ 10
Series D	-	-	88	88
Total warrant liabilities	\$ -	\$ -	\$ 98	\$ 98

BRIDGELINE DIGITAL, INC.
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The following table provides a roll forward of the fair value, as determined by Level 3 inputs, as follows:

	Warrant Liabilities
Balance at beginning of period, October 1, 2023	\$ 174
Additions	-
Payments	-
Adjustment to fair value	(76)
Balance at end of period, September 30, 2024	<u>\$ 98</u>
Additions	-
Exercises or payments	-
Adjustment to fair value	4
Balance at end of period, September 30, 2025	<u>\$ 102</u>

6. Goodwill

The carrying value of goodwill is not amortized, but is tested for impairment annually as of September 30th, as well as whenever events or changes in circumstances indicate that the carrying amount of a reporting unit may not be recoverable. The purpose of an impairment test is to identify any potential impairment by comparing the carrying value of a reporting unit including goodwill to its fair value. An impairment charge is recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. Impairment charges are reflected as a reduction in goodwill in the Company's consolidated balance sheets and an expense in the Company's consolidated statements of operations.

Annual tests were performed at September 30, 2025 and 2024. Management performed a qualitative assessment that did not result in any impairment indicators at September 30, 2025 and 2024.

Changes in the carrying value of goodwill are as follows:

	As of September 30,	
	2025	2024
Balance at beginning of period	\$ 8,468	\$ 8,468
Impairments	-	-
Balance at end of period	<u>\$ 8,468</u>	<u>\$ 8,468</u>

7. Intangible Assets

The components of intangible assets, net of accumulated amortization, are as follows:

	As of September 30,	
	2025	2024
Domain and trade names	\$ 519	\$ 572
Customer related	2,542	3,048
Technology	115	288
Intangible, assets net	<u>\$ 3,176</u>	<u>\$ 3,908</u>

Total amortization expense related to intangible assets was \$732 and \$982 for the years ended September 30, 2025 and 2024, respectively, and is reflected in Operating expenses on the consolidated statements of operations. The estimated amortization expense for fiscal years 2026, 2027, 2028, 2029, 2030 and thereafter is \$673, \$558, \$558, \$475, \$392 and \$520, respectively.

8. Accrued Liabilities

Accrued liabilities consist of the following:

	As of September 30,	
	2025	2024
Compensation and benefits	\$ 659	\$ 405
Professional fees	81	268
Other	79	315
Accrued liabilities	<u>\$ 819</u>	<u>\$ 988</u>

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9. Restructuring and Acquisition Related Expenses

The Company incurred restructuring and acquisition related expenses of \$0.2 million during each of the years ended September 30, 2025 and 2024, respectively, which are included in Restructuring and acquisition related expenses in the consolidated statements of operations.

10. Long-term Debt

On March 1, 2021, the Company assumed the outstanding long-term debt obligations of an acquired business and issued a seller note to one of the selling stockholders. The assumed debt obligations and seller note are denominated in Euros.

Long-term debt consists as follows:

	As of September 30,	
	2025	2024
Term loan payable, accruing interest at 3-Month EURIBOR plus 1.3% per annum, payable in quarterly installments starting in April 2023 and matures in July 2028.	\$ 256	\$ 325
Seller's note payable, due to one of the selling stockholders, accruing interest at a fixed rate of 4.0% per annum. The Seller's note is payable over 5 installments and matures in October 2026.	70	201
Total debt	326	526
Less current portion:	(156)	(282)
Long-term debt, net of current portion	\$ 170	\$ 244

At September 30, 2025, future maturities of long-term debt are as follows:

Fiscal year:		
2026	\$	156
2027		85
2028		85
Total debt	\$	326

11. Leases

The Company leases facilities in the United States for its corporate and regional field offices. During the years ended September 30, 2025 and 2024, the Company was also a lessee/sublessor for certain office locations.

Determination of Whether a Contract Contains a Lease

We determine if an arrangement is a lease at inception, or upon modification of a contract and classify each lease as either an operating or finance lease at commencement. The Company reassesses lease classification subsequent to commencement upon a change to the expected lease term or a modification to the contract. Operating leases represent the Company's right to use an underlying asset as lessee for the lease term and lease obligations represent the Company's obligation to make lease payments arising from the lease.

A contract contains a lease if the contract conveys the right to control the use of the identified property or equipment, explicitly or implicitly, for a period of time in exchange for consideration. Control of an underlying asset is conveyed if we obtain the rights to direct the use of and obtain substantially all of the economic benefit from the use of the underlying asset. At commencement, contracts containing a lease are further evaluated for classification as an operating lease or finance lease based on their terms.

ROU Model and Determination of Lease Term

The Company uses the Right-of-Use ("ROU") model to account for leases, which requires an entity to recognize a lease liability and ROU asset on the lease commencement date. A lease liability is measured equal to the present value of the remaining lease payments over the lease term and is discounted using the incremental borrowing rate, as the rates implicit in the Company's leases are not readily determinable. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow, on a collateralized basis over a similar term, an amount equal to the lease payments in a similar economic environment. Lease payments include payments made before the commencement date and any residual value guarantees, if applicable. The initial ROU asset consists of the initial measurement of the lease liability, adjusted for any payments made before the commencement date, initial direct costs and lease incentives earned. When determining the lease term, the Company includes option periods when it is reasonably certain that those options will be exercised.

BRIDGELINE DIGITAL, INC.
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Lease Costs

For operating leases, minimum lease payments, including minimum scheduled rent increases, are recognized as operating lease costs on a straight-line basis over the applicable lease terms. Some operating lease arrangements include variable lease costs, including real estate taxes, insurance, common area maintenance or increases in rental costs related to inflation. Such variable payments, other than those dependent upon a market index or rate, are excluded from the measurement of the lease liability and are expensed when the obligation for those payments is incurred.

Significant Assumptions and Judgments

Management makes certain estimates and assumptions regarding each new lease and sublease agreement, renewal and amendment, including, but not limited to, property values, market rents, useful life of the underlying property, discount rate and probable term, all of which can impact (1) the classification as either an operating or finance lease, (2) measurement of lease liabilities and ROU assets and (3) the term over which the ROU asset and leasehold improvements are amortized. The amount of depreciation and amortization, interest and rent expense would vary if different estimates and assumptions were used.

The components of net lease costs were as follows:

	As of September 30,	
	2025	2024
Operating lease cost	\$ 187	\$ 220
Variable lease cost	65	81
Less: Sublease income, net	(72)	(125)
Total	\$ 180	\$ 176

Cash paid for amounts included in the measurement of lease liabilities was \$151 thousand and \$177 thousand for the years ended September 30, 2025 and 2024, respectively, all of which represents operating cash flows from operating leases. As of September 30, 2025 and 2024, the weighted average remaining lease term was 2.2 and 1.0 years, respectively, and the weighted average discount rate was 11% and 9.4% for the years ended September 30, 2025 and 2024, respectively.

At September 30, 2025, future minimum rental commitments under non-cancelable leases with initial or remaining terms in excess of one year, which have commenced, were as follows:

	Payments Operating Leases	Receipts Subleases	Net Leases
Fiscal year:			
2026	\$ 65	\$ 72	\$ (7)
2027	65	72	(7)
2028	22	24	(2)
Total lease commitments	152	\$ 168	\$ (16)
Less: Amount representing interest	(18)		
Present value of lease liabilities	134		
Less: Current portion	(61)		
Operating lease liabilities, net of current portion	\$ 73		

As of September 30, 2025, the Company had lease commitments that extended to fiscal 2028.

Starting December 1, 2025, the Company will lease office space in Garden City, New York. The lease is for \$7 thousand per month, through March 31, 2031.

At September 30, 2024, future minimum rental commitments under non-cancelable leases with initial or remaining terms in excess of one year were as follows:

	Payments Operating Leases	Receipts Subleases	Net Leases
Fiscal year:			
2025	\$ 185	\$ 66	\$ 119
2026	7	-	7
Total lease commitments	192	\$ 66	\$ 126
Less: Amount representing interest	(29)		
Present value of lease liabilities	163		
Less: Current portion	(157)		
Operating lease liabilities, net of current portion	\$ 6		

BRIDGELINE DIGITAL, INC.
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12. Stockholders' Equity

Under our Certificate of Incorporation, we are authorized, subject to limitations prescribed by Delaware law and our Charter, to issue up to 1,000,000 shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each series and to fix the designation, powers, preferences and rights of the shares of each series and any of its qualifications, limitations or restrictions. Our Board of Directors can increase or decrease the number of shares of any series, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our Board of Directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock.

Series A Convertible Preferred Stock

The Company has designated 264,000 shares of its preferred stock as Series A Convertible Preferred Stock ("Series A Preferred Stock"). The shares of Series A Preferred Stock may be converted, at the option of the holder at any time, into such number of shares of common stock equal to (i) the number of shares of Series A Preferred Stock to be converted, multiplied by the stated value of \$10 and (ii) divided by the conversion price in effect at the time of conversion. As of September 30, 2025 and September 30, 2024, the Company had no shares of Series A Preferred Stock outstanding.

Series B Convertible Preferred Stock

The Company has designated 5,000 shares of its preferred stock as Series B Convertible Preferred Stock ("Series B Preferred Stock"). The shares of Series B Preferred Stock may be converted, at the option of the holder at any time, into such number of shares of common stock equal to (i) the number of shares of Series B Preferred Stock to be converted, multiplied by the stated value of \$1,000 and (ii) divided by the conversion price in effect at the time of conversion. As of September 30, 2025 and September 30, 2024, the Company had no shares of Series B Preferred Stock outstanding.

Series C Convertible Preferred Stock

The Company has designated 11,000 shares of its preferred stock as Series C Convertible Preferred Stock ("Series C Preferred Stock"). The shares of Series C Preferred Stock may be converted, at the option of the holder at any time, into such number of shares of common stock equal to (i) the number of shares of Series C Preferred Stock to be converted, multiplied by the stated value of \$1,000 and (ii) divided by the conversion price in effect at the time of conversion. Series C Preferred Stock vote on an as-converted basis along with shares of the Company's common stock, are not entitled to receive dividends, unless specifically declared by our Board of Directors, and in the event of any liquidation, dissolution or winding up of the Company the holders of Series C Preferred Stock are entitled to receive in preference to the holders of common stock, Series A Preferred Stock, Series B Preferred Stock and any other stock, the amount equal to the stated value per share of Series C Preferred Stock. The Company may not effect, and a holder will not be entitled to, convert the Series C Preferred Stock or exercise any Series C Preferred Warrants, which, upon giving effect to such conversion or exercise, would cause the aggregate number of shares of common stock beneficially owned by the Purchaser (together with its affiliates) to exceed 4.99% (or, at the election of the holder, 9.99%) of the number of shares of common stock outstanding immediately after giving effect to the exercise.

On March 5, 2025, the Company entered into a Securities Redemption Agreement (the "Redemption Agreement") with Michael Taglich and Claudia Taglich (the "Sellers"), pursuant to which the Company agreed to purchase and redeem from the Sellers: (i) all 350 shares of the Company's Series C Preferred Stock, par value \$0.001 per share; (ii) placement agent warrants to purchase an aggregate of 13,000 shares of the Company's common stock, par value \$0.001 per share; and (iii) stock options issued on or before December 31, 2017, to purchase 108 shares of common stock (collectively, the "Securities"). The aggregate purchase price for the Securities was \$332.5 thousand which was allocated first amongst the liability classified placement agent warrants based on the purchase date fair value, then no value was allocated to the options as the fair value was deemed to be insignificant and then, the remainder of the purchase price was allocated to the equity classified Series C Preferred Shares.

The Company accounted for the redemption of the Series C Preferred Stock as a return to the preferred stockholder measured as the difference between the (i) purchase price allocated to the Series C Preferred Stock of \$331 thousand and (ii) the carrying value of the Series C Preferred Stock, which was \$0. The difference of \$331 thousand was recognized as a reduction in additional paid-in capital, in the absence of retained earnings, and is included as a component of net loss attributable to common shareholders. As of September 30, 2025 and September 30, 2024, the Company had no shares of Series C Preferred Stock outstanding and 350 shares of Series C Preferred Stock outstanding, respectively.

Series D Convertible Preferred Stock

The Company has designated 4,200 shares of its preferred stock as Series D Convertible Preferred Stock ("Series D Preferred Stock"). The shares of Series D Preferred Stock may be converted, at the option of the holder at any time, into such number of shares of common stock equal to (i) the number of shares of Series D Preferred Stock to be converted, multiplied by the stated value of \$1,000 and (ii) divided by the conversion price in effect at the time of conversion. The Company may not effect, and a holder will not be entitled to convert, the Series D Preferred Stock or exercise any Series D Preferred Warrants, which, upon giving effect to such conversion or exercise, would cause (i) the aggregate number of shares of common stock beneficially owned by the Purchaser (together with its affiliates) to exceed 4.99% (or, at the election of the holder, 9.99%) of the number of shares of common stock outstanding immediately after giving effect to the exercise. As of September 30, 2025 and September 30, 2024, the Company had no shares of Series D Preferred Stock outstanding.

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Stock Incentive Plans

The Company has historically granted common stock, common stock warrants, and common stock option awards (the "Equity Awards") to employees, consultants, advisors and former debt holders of the Company and to former owners and employees of acquired companies that have become employees of the Company.

On September 16, 2025, the stockholders approved a new stock incentive plan, the 2025 Stock Incentive Plan (the "2025 Plan"). The 2025 Plan authorizes the award of incentive stock options, non-statutory stock options, restricted stock, unrestricted stock, performance shares, stock appreciation rights and any combination thereof to employees, officers, directors, consultants, independent contractors and advisors of the Company. The 2025 Plan provides for the issuance in the aggregate of up to 1,500,000 shares of common stock associated with awards granted under the Stock Incentive Plan. As of September 30, 2025, there were 200,000 options and 112,331 restricted stock outstanding and 1,130,571 shares available for future issuance under the 2025 Plan.

Historically, the Company's Amended and Restated Stock Incentive Plan (the "Plan") provided for the issuance of up to 5,000 shares of common stock. This Plan expired in August 2016. On April 29, 2016, the stockholders approved a new stock incentive plan, the 2016 Stock Incentive Plan (the "2016 Plan"). The 2016 Plan, as amended, provided for the issuance in the aggregate of up to 2,400,000 shares of common stock associated with awards granted under the Stock Incentive Plan. As of September 30, 2025, there were 1,788,677 options and 78,879 restricted stock outstanding and no shares available for future issuance under the 2016 Plan.

Compensation Expense

Compensation expense is generally recognized on a graded accelerated basis over the vesting period of grants. Compensation expense is recorded in the consolidated statements of operations with a portion charged to Cost of revenue and a portion to Operating expenses, depending on the employee's department.

During the years ended September 30, 2025 and 2024, compensation expense related to share-based payments was as follows:

	Year Ended September 30,	
	2025	2024
Operating expenses	\$ 461	\$ 505
Interest expense and other, net	121	53
Total	\$ 582	\$ 558

As of September 30, 2025, the Company had approximately \$0.5 million of unrecognized compensation costs related to unvested share-based payments, which is expected to be recognized over a weighted-average period of 2.2 years.

Common Stock Warrants

The Company typically issues warrants to individual investors and placement agents to purchase shares of the Company's common stock in connection with public and private placement fund raising activities. Warrants may also be issued to individuals or companies in exchange for services provided to the Company. The warrants are typically exercisable six months after the issue date, expire in five years, and contain a cashless exercise provision and piggyback registration rights.

March 2025 Placement Agent Warrants - In March 2025, in connection with the Registered Direct offering, the Company issued 70,000 warrants to purchase shares of the Company's common stock to WestPark Capital, Inc. who acted as the exclusive placement agent for the offering, (the "March 2025 Placement Agent Warrants"). As compensation for their services, the Company paid to WestPark a fee equal to 7% of the aggregate purchase price paid for shares placed by WestPark at closing and reimbursed WestPark for certain expenses incurred in connection with the offering. The March 2025 Placement Agent Warrants were issued March 26, 2025 with an exercise price of \$1.875 per share and expire March 24, 2030. The March 2025 Placement Agent Warrants were determined to be equity-classified awards.

Montage Warrant - As additional consideration for a prior loan arrangement which was paid in full in a prior period not presented, the Company issued to Montage Capital an eight-year warrant (the "Montage Warrant") to purchase the Company's common stock at a price equal to \$132.50 per share. The Montage Warrant contains an equity buy-out provision upon the earlier of (1) dissolution or liquidation of the Company, (2) any sale or distribution of all or substantially all of the assets of the Company, or (3) a "Change in Control" as defined within the meaning of Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934. Montage Capital has the right to receive an equity buy-out of \$250. If the equity buy-out is exercised, the Montage Warrant will be surrendered to the Company for cancellation.

Series A and B and C Preferred Warrants - In March 2019, in connection with the issuance of the Company's Series C Preferred Stock, the Company issued warrants to purchase the Company's common stock. These warrants were designated as (i) Series A Warrants with an initial term of 5.5 years and an exercise price of \$4.00; (ii) Series B Warrants, which expired unexercised during the Company's 2021 fiscal year, with an initial term of 24 months and an exercise price of \$4.00; and (iii) Series C Warrants with an initial term of 5.5 years and an exercise price of \$0.05 (collectively, hereinafter referred to as the "Series C Preferred Warrants"). The Company also issued warrants with an exercise price of \$4.00 to purchase shares of the Company's common stock to the Placement Agents. The Company may not effect, and a holder will not be entitled to convert, the Series C Preferred Stock or exercise any Series C Preferred Warrants, which, upon giving effect to such conversion or exercise, would cause (i) the aggregate number of shares of common stock beneficially owned by the Purchaser (together with its affiliates) to exceed 4.99% (or, at the election of the holder, 9.99%) of the number of shares of common stock outstanding immediately after giving effect to the exercise.

During fiscal 2024, all Series A, Series C, and Placement Agent Warrants issued in connection with the Series C Preferred Stock and Investor Warrants expired.

Series D Preferred Warrants - In May 2021, in connection with the issuance of the Company's Series D Preferred Stock, the Company issued warrants to purchase the Company's common stock. These warrants consisted of (i) warrants issued to investors in Series D Preferred Stock to purchase in the aggregate up to 592,106 shares of common stock with an initial term of five and a half years which ends on November 16, 2026 and an initial exercise price of \$2.51 and (ii) Placement Agents warrants to purchase an aggregate of 179,536 shares of common stock with an initial term of five years which ends on May 12, 2026 and an initial exercise price of \$2.85. Collectively, these warrants are referred to as the "Series D Preferred Warrants."

The Company may not effect, and a holder will not be entitled to convert, the Series D Preferred Stock or exercise any Series D Preferred Warrants, which, upon giving effect to such conversion or exercise, would cause (i) the aggregate number of shares of common stock beneficially owned by the Purchaser (together with its affiliates) to exceed 4.99% (or, at the election of the holder, 9.99%) of the number of shares of common stock outstanding immediately after giving effect to the exercise.

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The Montage Warrants, Series A and C Preferred Warrants, the Placement Agent Warrants issued in connection with the Series C Preferred Stock, and the Series D Warrants were all determined to be derivative liabilities and are subject to remeasurement each reporting period (see Note 5).

During the years ended September 30, 2025 and 2024, there were no warrants exercised. During the year ended September 30, 2025, 13,000 Placement Agent Warrants have been redeemed in connection with the Redemption Agreement.

Total warrants outstanding as September 30, 2025, were as follows:

Type	Issue Date	Shares	Price	Expiration
Financing (Montage)	10/10/2017	1,327	\$ 132.50	10/10/2025
Placement Agent	2/4/2021	31,564	\$ 3.88	2/4/2026
Investors	5/14/2021	592,106	\$ 2.51	11/16/2026
Placement Agent	5/14/2021	166,536	\$ 2.85	5/12/2026
Placement Agent	3/26/2025	70,000	\$ 1.88	3/24/2030
Total		861,533		

Warrant Issuances

The Company issued 70,000 warrants to purchase common stock during the year ended September 30, 2025, and did not issue warrants to purchase common stock during the year ended September 30, 2024.

Summary of Option and Warrant Activity and Outstanding Shares

During the year ended September 30, 2025 the Company issued: (i) 153,307 shares of restricted stock, net of shares withheld to settle tax withholding, of which (a) 86,049 shares were issued to its Chief Executive Officer at a grant-date fair value of \$1.51, based upon the closing price of the Company's common stock on the grant date, which vest ratably on a quarterly basis over a three-year period, and (b) 67,258 shares were granted to its directors, at a grant-date fair value of \$1.51, based upon the closing price of the Company's common stock on the grant date which vested immediately upon the grant date of June 26, 2025 and; (ii) 112,331 shares of restricted stock, net of shares withheld to settle tax withholding, issued to its Chief Executive Officer at a grant-date fair value of \$1.32, based upon the closing price of the Company's common stock on the grant date, which vest ratably on a quarterly basis over a three-year period; and (iii) 200,000 options to purchase shares to members of management at an exercise price of \$1.32, which vest ratably on a quarterly basis over a three-year period.

During the year ended September 30, 2024 the Company granted (i) options to purchase 250,000 shares to members of management at an exercise price of \$0.81, which vest ratably on a quarterly basis over a three-year period and (ii) options to purchase 80,000 shares to board members at an exercise price of \$0.90, which vested immediately.

The weighted-average option fair values, as determined using the Black-Scholes option valuation model, and the assumptions used to estimate these values for stock options granted during the year ended September 30, 2025 and 2024 are as follows:

	2025		2024	
	Non-Board	Board	Board	Non-Board
Weighted-average fair value per share option	\$ 0.98	\$ 0.67	\$ 0.67	\$ 0.67
Expected life (in years)	5.7	5.8	5.8	5.0
Volatility	89.8%	108.5%	108.5%	96.1%
Risk-free interest rate	3.8%	4.0%	4.0%	4.2%
Dividend yield	0.0%	0.0%	0.0%	0.0%

The expected option term is the number of years the Company estimates the options will be outstanding prior to exercise. Expected volatility is based on historical daily price changes of the Company's common stock for a period equal to the expected life. The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of grant. The expected dividend yield is zero since the Company does not currently pay cash dividends on its common stock and does not anticipate doing so in the foreseeable future.

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A summary of combined stock option and warrant activity is as follows:

	Stock Options		Stock Warrants	
	Awards	Weighted Average Exercise Price	Warrants	Weighted Average Exercise Price
Outstanding, October 1, 2023	1,831,515	\$ 2.56	1,757,629	\$ 3.64
Granted	330,000	0.83	-	-
Exercised or redeemed	-	-	-	-
Cancelled/Forfeited	(53,518)	1.50	-	-
Expired	(102)	1,413.97	(953,096)	2.85
Outstanding, September 30, 2024	2,107,895	\$ 2.25	804,533	\$ 2.85
Granted	200,000	1.32	70,000	1.88
Exercised or redeemed	(137,500)	1.24	(13,000)	2.85
Cancelled/Forfeited	(180,667)	2.85	-	-
Expired	(1,051)	335.04	-	-
Outstanding, September 30, 2025	1,988,677	\$ 1.99	861,533	\$ 2.77

There were 1,552,010 and 1,543,890 options vested and exercisable as of September 30, 2025 and 2024, respectively. The options outstanding at September 30, 2025 and 2024 had an aggregate intrinsic value of \$0.2 and \$0.1 million, respectively.

A summary of the status of restricted stock is as follows:

	Shares	Weighted Average Grant-Date Fair Value
	Unvested at October 1, 2024	66,672
Granted	265,638	1.38
Vested	(141,100)	1.32
Cancelled/Forfeited	-	-
Unvested at September 30, 2025	191,210	\$ 1.40

The aggregate fair value of restricted stock that vested during fiscal 2025 was \$0.2 million.

The following table summarizes information about outstanding stock options at September 30, 2025:

Exercise Price	Number of Options	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Aggregate Intrinsic Value
Options outstanding	1,988,677	7.0	\$ 1.99	\$ 208,400
Options exercisable	1,552,010	6.4	\$ 2.23	\$ 129,600

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13. Net Loss Per Share Attributable to Common Stockholders

Basic and diluted net loss per share is computed as follows:

(in thousands, except share and per share data)

	Years Ended September 30,	
	2025	2024
Numerator:		
Net loss applicable to common stockholders - basic earnings per share	\$ (2,518)	\$ (1,961)
Redemption of Series C Convertible Preferred Stock	(331)	-
Net loss applicable to common stockholders - diluted earnings per share	<u>\$ (2,849)</u>	<u>\$ (1,961)</u>
Denominator:		
Weighted-average shares outstanding for basic earnings per share	11,227,586	10,417,609
Effect of dilutive securities:		
Options	-	-
Warrants	-	-
Weighted-average shares outstanding for diluted earnings per share	<u>11,227,586</u>	<u>10,417,609</u>
Basic net income (loss) per share	<u>\$ (0.25)</u>	<u>\$ (0.19)</u>
Diluted net income (loss) per share	<u>\$ (0.25)</u>	<u>\$ (0.19)</u>

Potential common stock equivalents excluded from the computation of diluted net income (loss) per share because their inclusion would have been anti-dilutive were as follows (in shares):

	As of September 30,	
	2025	2024
Stock options	1,988,677	2,107,895
Warrants	861,533	804,533
Series C Convertible preferred stock	-	38,889
Unvested restricted stock	191,210	66,672

14. Commitments and Contingencies

The Company leases certain of its buildings under noncancelable lease agreements. Refer to the *Leases* footnote (Note 11) of the Notes to the Consolidated Financial Statements for additional information.

The Company frequently warrants that the technology solutions it develops for its clients will operate in accordance with the project specifications without defects for a specified warranty period, subject to certain limitations that the Company believes are standard in the industry. In the event that defects are discovered during the warranty period, and none of the limitations apply, the Company is obligated to remedy the defects until the solution that the Company provided operates within the project specifications. The Company is not typically obligated by contract to provide its clients with any refunds of the fees they have paid, although a small number of its contracts provide for the payment of liquidated damages upon default. The Company has purchased insurance policies covering professional errors and omissions, property damage and general liability that reduce its monetary exposure for warranty-related claims and enable it to recover a portion of any future amounts paid.

The Company's contracts typically provide for testing and client acceptance procedures that are designed to mitigate the likelihood of warranty-related claims, although there can be no assurance that such procedures will be effective for each project. The Company has not paid any material amounts related to warranties for its solutions. The Company sometimes commits unanticipated levels of effort to projects to remedy defects covered by its warranties. The Company's estimate of its exposure to warranties on contracts is immaterial as of September 30, 2025 and 2024.

The Company's agreements with customers generally require the Company to indemnify the customer against claims in which the Company's products infringe third-party patents, copyrights, or trademarks and indemnify against product liability matters. As of September 30, 2025 and 2024, the Company has not experienced any losses related to the indemnification obligations and no significant claims with respect thereto were outstanding. The Company does not expect significant claims related to the indemnification obligations and, consequently, concluded that the fair value of these obligations is negligible, and no related reserves were established.

Litigation

The Company is subject to ordinary routine litigation and claims incidental to its business. As of September 30, 2025, the Company was not engaged in any material legal proceedings.

BRIDGELINE DIGITAL, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (in thousands, except share and per share data)

15. Revenues and Other Related Items

Disaggregated Revenues

The Company disaggregates revenue from contracts with customers by geography and product grouping, as it believes this best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The Company's revenue by geography (based on customer address) is as follows:

Revenues:	Year Ended September 30,	
	2025	2024
United States	\$ 13,109	\$ 12,824
International	2,274	2,534
	<u>\$ 15,383</u>	<u>\$ 15,358</u>

The largest concentration within the Company's international revenue geography is within Canada.

Long-lived assets located in foreign jurisdictions aggregated approximately \$0.6 million and \$1.0 million as of September 30, 2025 and 2024, respectively.

The Company's revenue by type is as follows:

Revenues:	Years Ended September 30,	
	2025	2024
Subscription - SaaS	\$ 10,339	\$ 10,699
Subscription - Maintenance	415	437
Subscription - Hosting	1,601	998
Services	3,028	3,224
	<u>\$ 15,383</u>	<u>\$ 15,358</u>

Deferred Revenue

Amounts that have been invoiced are recognized in accounts receivable, deferred revenue or revenue, depending on whether the revenue recognition criteria have been met. Deferred revenue represents amounts billed for which revenue has not yet been recognized. Deferred revenue that will be recognized during the succeeding 12-month period is recognized as current deferred revenue and the remaining portion is recognized as noncurrent deferred revenue and is included in Other long-term liabilities.

The following table summarizes the classification and net change in deferred revenue as of and for the years ended September 30, 2025 and 2024:

	Deferred Revenue	
	Current	Long Term
Balance as of October 1, 2023	\$ 2,084	\$ 345
Increase (decrease)	105	-
Balance as of September 30, 2024	<u>2,189</u>	<u>345</u>
Increase (decrease)	73	(61)
Balance as of September 30, 2025	<u>\$ 2,262</u>	<u>\$ 284</u>

16. Segment Reporting

We operate as one operating segment: Software. The Software segment provides marketing technology to customers under software-as-a-service arrangements. The service term for the software arrangements is variable, with the median term being approximately five years. Bridgeline derives revenue primarily in North America and manages the business activities on a consolidated basis.

Our Chief Executive Officer, our CODM, reviews financial information on a consolidated basis for purposes of making operating decisions, allocating resources and evaluating financial performance. As such, we have one operating segment - Software - in the business of marketing technology.

Our CODM reviews cost of sales expense, sales and marketing expense, general and administrative expense and research and development expense to assess our significant segment expenses, and reviews income (loss) from operations and net income (loss) to assess our operating performance. Our CODM also reviews total assets, as reported on our consolidated balance sheets.

The accounting policies of the software segment are the same as those described in the summary of significant accounting policies. See our consolidated statement of operations for our significant segment expenses, loss from operations and net loss in the periods presented.

BRIDGELINE DIGITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

17. Income Taxes

The components of the Company's tax provision (benefit) as of September 30, 2025 and 2024, is as follows:

	Year Ended September 30,	
	2025	2024
Current:		
Federal	\$ -	\$ -
State	18	22
Foreign	-	-
Total current	<u>18</u>	<u>22</u>
Deferred:		
Federal	-	-
State	-	-
Foreign	(57)	(65)
Total deferred	<u>(57)</u>	<u>(65)</u>
Grand total	<u>\$ (39)</u>	<u>\$ (43)</u>

The Company's income tax provision was computed using the federal statutory rate and state statutory rates, net of related federal benefit. The provision differs from the amount computed by applying the statutory federal income tax rate to pretax income, as follows:

	Year Ended September 30,			
	2025	%	2024	%
Income tax (benefit)/provision	\$ (537)	21.0%	\$ (421)	21.0%
Permanent differences, net	42	(1.6)%	36	(1.8)%
State income tax provision/(benefit)	14	(0.5)%	17	(0.8)%
Foreign income taxed at different rates	(37)	1.4%	(118)	5.9%
Change in valuation allowance on deferred tax assets	362	(14.2)%	534	(26.6)%
True up adjustments	117	(4.6)%	(91)	4.5%
Total	<u>\$ (39)</u>	<u>1.5%</u>	<u>\$ (43)</u>	<u>2.1%</u>

As of September 30, 2025, the Company has federal net operating loss ("NOL") carryforwards of approximately \$37.4 million of which \$29.0 million is subject to the 20-year carryforward and expire on various dates through 2038. The remaining federal NOL carryforward of \$8.4 million is indefinite. Internal Revenue Code Section 382 places a limitation on the amount of taxable income which can be offset by NOL carryforwards after a change in control of a loss corporation. Due to these "change of ownership" provisions, utilization of NOL carryforwards may be subject to an annual limitation on utilization against taxable income in future periods. The Company has not performed a Section 382 analysis. However, if performed, Section 382 may be found to limit potential future utilization of the Company's NOL carryforwards. The Company also has approximately \$51.5 million in state NOLs which expire on various dates through 2045.

The Company has deferred tax assets that are available to offset future taxable income. A valuation allowance is established if it is more likely than not that all or a portion of the deferred tax assets will not be realized. Management believes that it is more likely than not that all deferred tax assets will not be realized. Accordingly, the Company has established a valuation allowance against a portion of its deferred tax assets at September 30, 2025 and 2024. For each of the years ended September 30, 2025 and 2024, the valuation allowance for deferred tax assets increased by \$0.4 million and \$0.5 million, respectively.

We recognize deferred tax assets for stock-based awards that result in deductions on our income tax returns, based on the amount of stock-based compensation recognized and the statutory tax rate in the jurisdiction in which we will receive a tax deduction. The Company's policy as it relates to interest and penalties related to unrecognized tax benefits is to recognize interest accrued in interest expense and penalties, if incurred, as a component of tax expense.

The Company is subject to U.S. federal income tax as well as income tax of certain state jurisdictions. The Company has not been audited by the Internal Revenue Service ("IRS") or any states in connection with income taxes. The tax periods from 2022 to 2025 generally remain open to examination by the IRS and state authorities.

BRIDGELINE DIGITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

Significant components of the Company's deferred tax assets and liabilities are as follows:

	September 30,	
	2025	2024
Deferred tax assets:		
Bad debt reserve	\$ 84	\$ 66
Accrued expenses	168	139
Net operating loss carryforwards	10,947	10,699
Right of use liability	33	97
Stock options	537	498
Other	19	17
Total deferred tax assets	11,788	11,516
Valuation allowance	(11,698)	(11,336)
Net deferred tax assets	90	180
Deferred tax liabilities:		
Right of use asset	33	97
Depreciation	3	7
Intangibles	200	251
Total deferred tax liabilities	236	355
Net deferred tax liabilities	\$ (146)	\$ (175)

Net deferred tax assets are reflected in Other assets and net deferred tax liabilities are reflected in Other long-term liabilities on the consolidated balance sheets. There were no undistributed earnings of the Company's foreign subsidiaries at September 30, 2025 and 2024.

The Tax Cuts and Jobs Act ("2017 Tax Act"), enacted on December 22, 2017, subjects a U.S. stockholder to tax on global intangible low-taxed income ("GILTI") earned by certain foreign subsidiaries. The FASB Staff Q&A, Topic 740, No. 5, *Accounting for Global Intangible Low-Taxed Income*, provides that an entity may make an accounting policy election to either recognize deferred taxes for temporary basis differences expected to reverse as GILTI in future years, or provide for the tax expense related to GILTI in the year the tax is incurred as a period expense only. Additionally, the 2017 Tax Act provides for a tax benefit to U.S. taxpayers that sell goods or services to foreign customers under the new Foreign Derived Intangible Income Deduction ("FDII") rules. On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") included reforms to the US international income tax regime. For tax years beginning after December 31, 2025, there is a permanent 40% deduction for net CFC tested income ("NCTI"), which replaces GILTI, and makes several changes to the determination of tested income and the amount of the foreign tax credit. In addition, there is a permanent 33.34% foreign-derived deduction eligible income ("FDDEI"), which replaces FDII and makes several changes to the determination of deduction eligible income ("DEI"). As of September 30, 2025 and September 30, 2024, the Company did not have GILTI to be reported.

When accounting for uncertain income tax positions, the impact of uncertain tax positions is recognized in the consolidated financial statements if they are more likely than not of being sustained upon examination, based on the technical merits of the position. The Company's management has determined that the Company has no uncertain tax positions requiring recognition as of September 30, 2025 and 2024. The Company does not expect any change to this determination in the next twelve months.

18. Related Party Transactions

Brandon Ross

On February 14, 2025, the Board appointed Brandon Ross to serve as a Class III Director of the Board, to fill the vacancy created by the resignation of Mr. Taglich. Mr. Ross will serve until his term expires at the 2026 Annual Meeting of Stockholders. Mr. Ross currently serves as Head of Placements and Senior Managing Director at WestPark Capital, Inc.

Of the 70,000 2025 Placement Agent Warrants issued to WestPark Capital, Inc., or its designees in March 2025, warrants to purchase 28,000 shares of Common Stock were designated to Mr. Ross. The warrants are exercisable immediately, expire on March 24, 2030 and have an exercise price of \$1.875 per share.

Michael Ketslakh

On February 10, 2025, the Board appointed Michael Ketslakh to serve as a Class II Director of the Board, to fill the vacancy created by the resignation of Mr. Landers. Mr. Ketslakh will serve until his term expires at the 2028 Annual Meeting of Stockholders.

Mr. Ketslakh participated in the Private Placement and purchased 394,736 unregistered shares.

Michael Taglich

On February 10, 2025, Michael Taglich announced his resignation from the Board of Directors. Refer to the *Stockholder's Equity* footnote regarding the Redemption Agreement (Note 12).

19. Subsequent Events

The Company evaluated subsequent events through the date of this filing and concluded there were no material subsequent events requiring adjustment to or disclosure in these consolidated financial statements, other than disclosed in Note 11.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Management's Report on Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, as amended, is recognized, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our President and Chief Executive Officer (Principal Executive Officer) and our Chief Financial Officer (Principal Financial and Accounting Officer), as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of September 30, 2025, the end of our fiscal year covered by this report, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, we concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were effective as of the end of the period covered by this annual report.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Responsibility estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control include providing management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recognized properly to permit the preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States. Our management assessed the effectiveness of our internal control over financial reporting as of September 30, 2025. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in the 2013 Internal Control-Integrated Framework. Our management has concluded that as of September 30, 2025, our internal control over financial reporting (as defined in Rule 15d-15(e) under the Exchange Act) was effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Our management reviewed the results of its assessment with our Board of Directors.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to an exemption from the internal control audit requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002.

Inherent Limitations on Effectiveness of Controls

Internal control over financial reporting has inherent limitations which include but are not limited to the use of independent professionals for advice and guidance, interpretation of existing and/or changing rules and principles, segregation of management duties, scale of organization, and personnel factors. Internal control over financial reporting is a process which involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Provided its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis; however, these inherent limitations are known features of the financial reporting process and it is possible to design into the process safeguards to reduce, though not eliminate, this risk. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting

There have been no significant changes in our internal controls over financial reporting that occurred during the fiscal year ended September 30, 2025 that have materially, or are reasonably likely to materially affect, our internal controls over financial reporting.

Item 9B. Other Information

None.

Item 9 C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The following table sets forth information regarding our directors and executive officers:

Name	Age	Position	Director Class	Expiration of Class Term
Joni Kahn	70	Chairperson (1)(2)(3)(4)	Class I	2027 Annual Meeting
Kenneth Galaznik	74	Director (1)(2)(4)	Class II	2028 Annual Meeting
Michael Ketslakh	56	Director (1)(2)(4)	Class II	2028 Annual Meeting
Brandon Ross	57	Director	Class III	2026 Annual Meeting
Roger Kahn	56	Director, President and Chief Executive Officer	Class I	2027 Annual Meeting
Thomas R. Windhausen	47	Chief Financial Officer, Treasurer and Secretary		

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Nominating and Governance Committee.
- (4) Independent director.

Biographies

Joni Kahn has been a member of our Board of Directors since April 2012. In May 2015, Ms. Kahn was appointed Chairperson of the Board of Directors. She also serves as the Chair of the Compensation Committee and is a member of the Audit and Nominating and Governance Committees. Ms. Kahn has over thirty years of operating experience with high growth software and services companies with specific expertise in the SaaS (Software as a Service), ERP (Enterprise Resource Planning) Applications, Business Intelligence and Analytics and Cybersecurity segments. From 2013 to 2015, Ms. Kahn was the Senior Vice President of Global Services for Big Machines, Inc., which was acquired by Oracle in October 2013. From 2007 to 2012, Ms. Kahn was Vice President of Services for HP’s Enterprise Security Software group. From 2005 to 2007, Ms. Kahn was the Executive Vice President at BearingPoint where she managed a team of over 3,000 professionals and was responsible for North American delivery of enterprise applications, systems integration and managed services solutions. Ms. Kahn also oversaw global development centers in India, China and the U.S. From 2002 to 2005, Ms. Kahn was the Senior Group Vice President for worldwide professional services for Business Objects, a business intelligence and analytics software maker based in San Jose, CA, where she led the applications and services division that supported that company’s transformation from a products company to an enterprise solutions company. Business Objects was acquired by SAP in 2007. From 2000 to 2007, Ms. Kahn was a Member of the Board of Directors for MapInfo, a global location intelligence solutions company. She was a member of MapInfo’s Audit Committee and the Compensation Committee. MapInfo was acquired by Pitney Bowes in 2007. From 1993 to 2000, Ms. Kahn was an Executive Vice President and Partner of KPMG Consulting, where she helped grow the firm’s consulting business from \$700 million to \$2.5 billion. Ms. Kahn received her B.B.A in Accounting from the University of Wisconsin – Madison. Ms. Kahn brings extensive leadership experience to our Board and our Audit Committee as an experienced senior executive. Ms. Kahn has over thirty years of executive level managerial, operational, and strategic planning experience leading world-class sales, service and support technology organizations. Her service on prior boards also provides financial and governance experience.

The Board of Directors has determined that Ms. Kahn’s vast experience in the technology industry and finance, as well as her executive leadership, makes her qualified to continue as the Chairperson and member of our Board of Directors. In addition, Ms. Kahn also brings extensive leadership experience to our Board and our Audit Committee as an experienced senior executive.

Kenneth Galaznik has been a member of our Board of Directors since 2006. Mr. Galaznik is the Chairman of the Company’s Audit Committee and serves as a member of the Compensation Committee. From 2005 to 2016, Mr. Galaznik was the Senior Vice President, Chief Financial Officer and Treasurer of American Science and Engineering, Inc., a publicly held supplier of X-ray inspection and screening systems with a public market cap of over \$200 million. Mr. Galaznik retired from his position at American Science and Engineering on March 31, 2016. From August 2002 to February 2005, Mr. Galaznik was Vice President of Finance of American Science and Engineering, Inc. From November 2001 to August 2002, Mr. Galaznik was self-employed as a consultant. From March 1999 to September 2001, he served as Vice President of Finance at Spectro Analytical Instruments, Inc. and has more than 35 years of experience in accounting and finance positions. Mr. Galaznik holds a B.B.A. degree in accounting from The University of Houston. Mr. Galaznik brings extensive experience to our Board and our Audit Committee as an experienced senior executive, a financial expert, and as a chief financial officer of a publicly-held company.

The Board of Directors has determined that Mr. Galaznik’s deep experience in finance and his executive leadership make him qualified to continue as a member of our Board of Directors.

Michael Ketslakh has been a member of our Board of Directors since 2025. Mr. Ketslakh is the founder and President of National Diagnostic Services ("NDS"), an independent diagnostic testing company operating in 33 states. Since its founding in 1998, NDS has provided management and operational support for primary care and specialty clinics in cardiology, physical medicine & rehabilitation, and neurology. In 2003, Mr. Ketslakh and his team launched a Mobile Diagnostic Division, becoming the first company of its kind to receive ICAVL and ICAEL accreditations from their respective national boards. In 2007, NDS expanded its services to include onsite programs for municipalities and self-insured corporations. Since 2015, Mr. Ketslakh has also served as the President of NDS Wellness LLC, which delivers healthcare and wellness services directly to workplaces through mobile wellness clinics, onsite wellness clinics, and cardiac and cancer screening programs. Mr. Ketslakh holds a Bachelor of Applied Science (B.A.Sc.) from Kalamazoo College and pursued Epidemiology studies at the University of Michigan School of Public Health. Mr. Ketslakh brings extensive experience to our Board and committees as an experienced senior executive including in the healthcare sector, in which we have a growing customer base. He also has experience in subscription businesses and the related challenges of growth and customer acquisition costs.

Our Board of Directors has determined that Mr. Ketslakh's strategic business acumen and executive leadership make him qualified to continue as a member of our Board of Directors.

Brandon Ross has been a member of our Board of Directors since 2025. Mr. Ross is a seasoned investment banker with over 30 years of experience in financial services. He currently serves as Head of Placements and Senior Managing Director at WestPark Capital. Previously, he was Head of Placements at Joseph Gunnar & Co. and Head of Capital Markets at Dawson James Securities. Earlier in his career, Mr. Ross originated the Institutional PIPE Group at Maxim Group and served as SVP at Ladenburg Thalmann & Co. Throughout his career, he has led and / or executed over 200 public and private offerings, raising more than \$3 billion, primarily for small and micro-cap companies. Mr. Ross holds a B.S. in Electrical Engineering Technology from Northeastern University and an MBA in Finance from New York University's Stern School of Business.

Our Board of Directors has determined that Mr. Ross' extensive capital markets experience makes him qualified to continue as a member of our Board of Directors.

Roger Kahn has been a member of our Board of Directors since December 2017. Mr. Kahn joined the Company as the Chief Operating Officer in August 2015 and has been our President and Chief Executive Officer since May 2016. Prior to joining Bridgeline Digital, Mr. Kahn co-founded FatWire, a leading content management and digital engagement company. As the General Manager and Chief Technology Officer of FatWire, Mr. Kahn built the company into a global corporation with offices in thirteen countries. FatWire was acquired by Oracle in 2011. Mr. Kahn received his Ph.D. in Computer Science and Artificial Intelligence from the University of Chicago.

Our Board of Directors has determined that Mr. Kahn's vast experience as a successful entrepreneur in the technology space, as well as his technical and leadership acumen, make him qualified to continue as a member of our Board of Directors.

Thomas Windhausen has served as the Company's Chief Financial Officer and Treasurer since November 2021, and the Secretary since February 2023. Prior to that he served as the Company's VP of Finance since October 2021. Mr. Windhausen came to Bridgeline with more than 20 years of experience in both public accounting and industry. Prior to joining the Company, Mr. Windhausen served as a VP of Finance with Comtech Telecommunications Corp. from July 2019 to September 2021, and from June 2011 to June 2019, Mr. Windhausen held various accounting and finance roles with Dealertrack Technologies, Inc., and its successor Cox Automotive Inc. Mr. Windhausen started his career at PricewaterhouseCoopers, where he spent more than 10 years. He received his Bachelor's of Science degree in Accounting from Le Moyne College in Syracuse, N.Y. and he is a member of the American Institute of Certified Public Accountants and New York State Society of Certified Public Accountants.

There are no family relationships between any of the directors and the Company's executive officers, including between Ms. Joni Kahn and Mr. Roger Kahn, the Company's President and Chief Executive Officer.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires the Company's executive officers, directors and persons who beneficially own more than 10% of a registered class of the Company's equity securities to file certain reports regarding ownership of, and transactions in, the Company's securities with the Securities and Exchange Commission. These officers, directors and stockholders are also required by SEC rules to furnish the Company with copies of all Section 16(a) reports that they file with the SEC. Based solely on a review of the copies of such forms and amendments thereto received by it, the Company believes that during the fiscal year ended September 30, 2025, all Section 16(a) filing requirements applicable to our officers, directors, and greater than 10% beneficial owners have been met, with the exception of one Form 4 for Roger Kahn that was inadvertently filed untimely, disclosing one transaction.

Code of Conduct and Ethics

The Company's Board of Directors has adopted a Code of Ethics within the meaning of Item 406(b) of Regulation S-K of the Securities Act that applies to all of the Company's officers and employees, including its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The Code of Ethics codifies the business and ethical principles that govern the Company's business. A copy of the Code of Ethics is available on the Company's website www.bridgeline.com. The Company intends to post amendments to or waivers from its Code of Ethics (to the extent applicable to its principal executive officer, principal financial officer or principal accounting officer) on its website. The Company's website is not incorporated herein by reference.

Insider Trading Policy and Procedures

The Company's Board of Directors has adopted insider trading policies and procedures applicable to our directors, officers, and employees, and have implemented processes for the Company, that we believe are reasonably designed to promote compliance with insider trading laws, rules, and regulations, and the Nasdaq Stock Market listing standards. A copy of our Insider Trading Policy is filed as Exhibit 19.1 to this Form 10-K.

Meetings of the Board of Directors

During fiscal 2025, the Board of Directors met six times and acted twice by unanimous written consent.

Committees of the Board of Directors

The Company has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee.

Audit Committee

The Audit Committee assists the Board in the oversight of the audit of our consolidated financial statements and the quality and integrity of our accounting, auditing and financial reporting processes. The Audit Committee is responsible for making recommendations to the Board concerning the selection and engagement of independent registered public accountants and for reviewing the scope of the annual audit, audit fees, results of the audit and auditor independence. The Audit Committee also reviews and discusses with management and the Board such matters as accounting policies, internal accounting controls and procedures for preparation of financial statements. Our Audit Committee is comprised of Mr. Galaznik (Chair), Ms. Kahn and Mr. Ketslakh. Our Board has determined that each of the members of the Audit Committee meet the criteria for independence under the standards provided by the Nasdaq Stock Market. The Board of Directors has adopted a written charter for the Audit Committee. A copy of such charter is available on the Company's website, www.bridgeline.com. During fiscal 2025, the Audit Committee met four times. Each member of the Audit Committee attended each such meeting. The Chairman of the Audit Committee was present at all meetings.

Our Board has also determined that Mr. Galaznik qualifies as an "audit committee financial expert" as defined under Item 407(d)-(5) of Regulation S-K and as an independent director as defined by the listing standards of the Nasdaq Capital Market.

Compensation Committee

The Compensation Committee evaluates the performance of our senior executives, considers the design and competitiveness of our compensation plans, including the review of independent research and data regarding compensation paid to executives of public companies of similar size and geographic location, reviews and approves senior executive compensation and administers our equity compensation plans. In addition, the Committee also conducts reviews of executive compensation to ensure compliance with Section 162(m) of the Internal Revenue Code of 1986, as amended. Our Compensation Committee is comprised of Ms. Kahn (Chair), Mr. Galaznik and Mr. Ketslakh, all of whom are independent directors. The Board of Directors has adopted a written charter for the Compensation Committee. A copy of such charter is available on the Company's website, www.bridgeline.com. During fiscal 2025, the Compensation Committee met three times and acted one time by unanimous written consent.

Nominating and Corporate Governance Committee

The Nominating and Governance Committee identifies candidates for future Board membership and proposes criteria for Board candidates and candidates to fill Board vacancies, as well as a slate of directors for election by the stockholders at each annual meeting. The Nominating and Governance Committee also annually assesses and reports to the Board on Board and Board Committee performance and effectiveness and reviews and makes recommendations to the Board concerning the composition, size and structure of the Board and its committees. A copy of such charter is available on the Company's website, www.bridgeline.com. Our Nominating and Governance Committee is comprised of Mr. Ketslakh (Chair) and Ms. Kahn, each of whom are independent directors. During fiscal 2025, the Nominating and Governance Committee met two times.

Item 11. Executive Compensation.

Summary Compensation Table

The following Summary Compensation Table sets forth the total compensation paid or accrued for the fiscal years ended September 30, 2025 and September 30, 2024 for our principal executive officer and our other most highly compensated executive officer. We refer to these officers as our "named executive officers".

Name and Principal Position	Fiscal Year	Salary		Bonus		Stock & Option Awards (1)		All Other Compensation		Total
	End									
Roger Kahn - President and Chief Executive Officer	2025	\$	419,896	\$	261,245	\$	419,626	\$	22,302	\$ 1,123,069
	2024	\$	411,333	\$	118,774	\$	67,280	\$	22,304	\$ 619,691
Thomas R. Windhausen - Chief Financial Officer, Treasurer, and Secretary	2025	\$	268,542	\$	46,594	\$	49,198	\$	22,302	\$ 386,636
	2024	\$	262,083	\$	26,920	\$	33,640	\$	22,304	\$ 344,947

(1) Column represents the grant date fair value of the awards as calculated in accordance with FASB ASC 718 (Stock Compensation).

Employment Agreements

Roger Kahn

On February 3, 2025, the Company entered into an Amended and Restated Employment Agreement between the Company and Roger "Ari" Kahn, its President and Chief Executive Officer, effective January 1, 2025 (the "Amended and Restated Employment Agreement"). The Amended and Restated Employment Agreement supersedes and replaces Mr. Kahn's Employment Agreement with the Company, dated September 13, 2019, as amended.

The Amended and Restated Employment Agreement provides for a term of continued employment through September 30, 2026, with automatic one-year renewals at the end of each fiscal year unless earlier terminated.

The Amended and Restated Employment Agreement also provides for the following: (i) an increase in Mr. Kahn's annual salary to \$421,500 (payable in semi-monthly installments); (ii) the opportunity for Mr. Kahn to earn an incentive bonus with a targeted amount of \$215,000, based on performance criteria determined by the Compensation Committee of the Board of Directors in its sole discretion; and (iii) the Company's right, but not its obligation, to issue discretionary equity incentive awards to Mr. Kahn, subject to applicable award agreements, equity incentive plans, and other such applicable terms, restrictions, and provisions.

The Amended and Restated Employment Agreement also provides severance benefits to Mr. Kahn (or in the event of his subsequent death, to his surviving spouse, or if none, to his estate) in the event that his employment is terminated by the Company other than for Cause (as defined therein), or if he resigns from the Company for Good Reason (as defined therein). These severance benefits include, among other things:

- Accrued but unpaid compensation.
- Twelve (12) months of his base salary and his applicable bonus (or eighteen (18) months of his base salary and his applicable bonus if the termination occurs within the period beginning three (3) months before and ending eighteen (18) months after a Change in Control (as defined therein).
- A pro-rated portion of his annual bonus for the year of termination.
- Coverage of the Company's portion of Mr. Kahn's COBRA health insurance premiums for a period of twelve (12) months (or eighteen (18) months if the termination occurs within three (3) months before or eighteen (18) months after a Change in Control), subject to earlier termination in the event Mr. Kahn obtains new employment that provides health benefits.
- Unvested equity awards fully vesting and becoming immediately exercisable upon termination.
- The Amended and Restated Employment Agreement includes standard restrictive covenants and confidentiality obligations.

Thomas R. Windhausen

Effective November 30, 2021, Thomas R. Windhausen was appointed by the Company's Board of Directors as Chief Financial Officer and Treasurer of the Company. The Company and Mr. Windhausen entered into an employment agreement (the "Employment Agreement"), initially effective from November 30, 2021 through September 30, 2022, unless extended by mutual agreement of the parties. The Employment Agreement has subsequently been renewed, most recently for the fiscal year ending September 30, 2025 (the "2025 Renewal Term").

Under the Employment Agreement, as renewed for fiscal 2025, Mr. Windhausen is entitled to receive an updated annual base salary of \$270,000. In addition, for fiscal 2025, Mr. Windhausen is eligible to earn an annual incentive bonus with a target opportunity of \$52,500, based on performance criteria determined by the Compensation Committee.

The Employment Agreement further provides that Mr. Windhausen is eligible to participate in all other employee benefit plans and programs offered to senior executives of the Company. In the event that Mr. Windhausen's employment is terminated by the Company without cause, he is entitled to receive severance benefits as set forth in the Employment Agreement.

Outstanding Equity Awards at Fiscal 2025 Year-End

The following table sets forth information concerning outstanding stock options for each named executive officer as of September 30, 2025.

Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable (1)	Number of Securities Underlying Unexercised Options (1)	Exercise Price (\$/sh)	Option Expiration Date
Roger Kahn	8/24/2015(1)	800	-	\$ 287.50	8/24/2025
	8/19/2016(1)	4,446	-	\$ 205.00	8/19/2026
	11/20/2019(1)	249,353	-	\$ 1.40	11/20/2029
	4/14/2022(2)	362,000	-	\$ 1.85	4/13/2032
	6/30/2023(2)	225,000	75,000	\$ 1.18	6/30/2033
	2/7/2024(3)	50,000	50,000	\$ 0.81	2/7/2034
	Total	891,599	125,000		
Thomas R. Windhausen	9/30/2021(1)	30,000	-	\$ 4.11	9/30/2031
	6/30/2023(3)	22,500	7,500	\$ 1.18	6/30/2033
	2/7/2024(3)	25,000	25,000	\$ 0.81	2/7/2034
	9/30/2025(3)	-	50,000	\$ 1.32	9/30/2035
	Total	77,500	82,500		

- (1) Shares vest in equal installments upon the anniversary date of the grant over three years.
- (2) Shares vest in equal installments on a monthly basis over three years.
- (3) Shares vest in equal installments on a quarterly basis over three years.

Roger Kahn holds 200,000 shares of restricted stock which was granted in August 2022 and is fully vested. He also holds 198,380 shares of restricted stock, after tax withholdings, which were granted in 2025. The restricted stock vests in quarterly installments over a three year period. As of September 30, 2025, 191,210 shares remained restricted.

Director Compensation

The non-employee members of our Board of Directors are compensated as follows:

- Compensation: Each outside director receives an annual retainer of \$23,000.
- Committee Chair Bonus: The Chair of the Board of Directors receives an additional annual fee of \$10,000. The Chair of the Audit Committee receives an additional annual fee of \$10,000. The Chairs of the Compensation Committee and Nominating and Corporate Governance Committee each receive an additional annual fee of \$5,000.
- Audit Committee: Members of the Audit Committee receive additional annual compensation of \$3,000.

Fees are paid quarterly. Other directors who serve on our standing committees, other than the Audit Committee, do not receive additional compensation for their committee services:

Director Compensation Table

The following table provides information on the total compensation earned by each non-employee director of the Company for the fiscal year ended September 30, 2025.

Director	Fees Earned or Paid in Cash (1)	Stock Awards	Option Awards (2)	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
Ken Galaznik	\$ 33,000	\$ 30,401	\$ -	\$ -	\$ -	\$ 33,000
Joni Kahn	41,000	30,401	-	-	-	41,000
Michael Ketslakh	25,400	30,401	-	-	-	25,400
Brandon Ross	20,148	30,401	-	-	-	20,148
Scott Landers	3,008	-	-	-	-	3,008
Michael Taglich	2,584	-	-	-	-	2,584
Total	\$ 125,140	\$ 121,604	\$ -	\$ -	\$ -	\$ 125,140

The following table sets forth information concerning the compensation paid to our non-employee directors during the fiscal year ended September 30, 2025.

Director	Annual Retainer	Chairman	Additional	Total
Ken Galaznik	\$ 23,000	\$ 10,000	\$ -	\$ 33,000
Joni Kahn	23,000	15,000	3,000	41,000
Michael Ketslakh	20,400	3,125	1,875	25,400
Brandon Ross	20,148	-	-	20,148
Scott Landers	2,232	485	291	3,008
Michael Taglich	2,584	-	-	2,584
	\$ 91,364	\$ 28,610	\$ 5,166	\$ 125,140

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Beneficial ownership is determined in accordance with Rule 13d-3 under the Exchange Act. In computing the number of shares beneficially owned by a person or a group and the percentage ownership of that person or group, shares of our common stock subject to options or warrants currently exercisable or exercisable within 60 days after December 16, 2025 are deemed outstanding, but are not deemed outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the address of each individual named below is our address, 100 Sylvan Road, Suite G-700, Woburn, Massachusetts 01801.

The following tables set forth, as of December 16, 2025, the beneficial ownership of our Common Stock by (i) each person or group of persons known to us to beneficially own more than 5% of the outstanding shares of each class of the outstanding securities, (ii) each of our directors and named executive officers, and (iii) all of our executive officers and directors as a group. At the close of business on December 16, 2025, there were 12,224,399 shares of our Common Stock issued and outstanding.

Except as indicated in the footnotes to the tables below, each stockholder named in the table has sole voting and investment power with respect to the shares shown as beneficially owned by such stockholder.

This information is based upon information received from or on behalf of the individuals named herein.

Common Stock

Name and Address	Number of Shares Owned	Percent of Shares Outstanding
Roger Kahn - President and Chief Executive Officer, Director	2,333,796 (1)	17.7%
Michael Ketslakh - Director	472,489	3.9%
Brandon Ross - Director	171,243 (2)	1.4%
Joni Kahn - Director	158,336 (3)	1.3%
Kenneth Galaznik - Director	158,280 (4)	1.3%
Thomas R. Windhausen - Chief Financial Officer, Treasurer and Secretary	96,666 (5)	0.8%
All current executive officers and directors as a group	3,390,810 (6)	24.9%

- (1) Includes 924,132 shares of Common Stock subject to currently exercisable options (includes options that will become exercisable within 60 days of December 16, 2025). Includes 398,380 shares of restricted stock. Includes 544 shares of Common Stock owned by Mr. Kahn's spouse.
- (2) Includes 107,895 shares issuable upon the exercise of warrants.
- (3) Includes 137,548 shares of Common Stock subject to currently exercisable options (includes options that will become exercisable within 60 days of December 16, 2025).
- (4) Includes 137,548 shares of Common Stock subject to currently exercisable options (includes options that will become exercisable within 60 days of December 16, 2025).
- (5) Includes 96,666 shares of Common Stock subject to currently exercisable options (includes options that will become exercisable within 60 days of December 16, 2025).
- (6) Includes 1,295,894 shares of Common Stock subject to currently exercisable options (includes options that will become exercisable within 60 days of December 16, 2025), and 107,895 other issuable shares including warrants.

We maintain a number of equity compensation plans for employees, officers, directors and other entities and individuals whose efforts contribute to our success. The table below sets forth certain information as of our fiscal year ended September 30, 2025, regarding the shares of our common stock available for grant or granted under our equity compensation plans.

Plan category	Equity Compensation Plan Information		
	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	1,988,677	\$ 1.99	1,130,571
Equity compensation plans not approved by security holders (1)	861,533	2.77	-
Total	2,850,210	\$ -	1,130,571

(1) At September 30, 2025, there were 861,533 total warrants outstanding.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Item 404(d) of Regulation S-K requires the Company to disclose any transaction or proposed transaction which occurred since the beginning of the two most recently completed fiscal years in which the amount involved exceeds the lesser of \$120,000 or one percent (1%) of the average of the Company's total assets as of the end of the last two completed fiscal years in which the Company is a participant and in which any related person has or will have a direct or indirect material interest. A related person is any executive officer, director, nominee for director, or holder of 5% or more of the Company's Common Stock, or an immediate family member of any of those persons.

In accordance with our Audit Committee charter, our Audit Committee is responsible for reviewing and approving the terms of any related-party transactions. Therefore, any material financial transaction between the Company and any related person would need to be approved by our Audit Committee prior to the Company entering into such transaction.

Brandon Ross

On February 14, 2025, the Board appointed Brandon Ross to serve as a Class III Director of the Board, to fill the vacancy created by the resignation of Mr. Taglich. Mr. Ross will serve until his term expires at the 2026 Annual Meeting of Stockholders. Mr. Ross currently serves as Head of Placements and Senior Managing Director at WestPark Capital, Inc.

Of the 70,000 2025 Placement Agent Warrants issued to WestPark Capital, Inc., or its designees in March 2025, warrants to purchase 28,000 shares of Common Stock were designated to Mr. Ross. The warrants are exercisable immediately, expire on March 24, 2030 and have an exercise price of \$1.875 per share.

Michael Taglich

On February 10, 2025, Michael Taglich announced his resignation from the Board of Directors. See the *Stockholder's Equity* footnote regarding the Redemption Agreement (Note 12).

Michael Ketslakh

On February 10, 2025, the Board appointed Michael Ketslakh to serve as a Class II Director of the Board, to fill the vacancy created by the resignation of Mr. Landers. Mr. Ketslakh will serve until his term expires at the 2028 Annual Meeting of Stockholders.

Mr. Ketslakh participated in the Private Placement and purchased 394,736 unregistered shares.

Item 14. Principal Accounting Fees and Services.**Audit Fees**

The firm of PKF O'Connor Davies, LLP acts as our principal independent registered public accounting firm (PCAOB ID No. 127). They have served as our independent auditors since February 27, 2021.

The table below shows the aggregate fees that the Company paid or accrued for the audit and other services provided by PKF O'Connor Davies, LLP for the fiscal year ended September 30, 2025 and 2024. The Company did not engage its independent registered public accounting firm during either of the fiscal years ended September 30, 2025 or September 30, 2024 for any other non-audit services.

Type of Service	Amount of Fee for Fiscal Year Ended	
	September 30, 2025	September 30, 2024
Audit Fees	\$ 237,100	\$ 242,300
Audit-Related Fees	—	—
Tax Fees	—	—
Total	\$ 237,100	\$ 242,300

Audit Fees. This category includes fees for the audits of the Company's annual financial statements, review of financial statements included in the Company's Form 10-Q Quarterly Reports and services that are normally provided by the independent auditors in connection with statutory and regulatory filings or engagements for the relevant fiscal years.

Audit-Related Fees. This category consists of audits performed in connection with certain acquisitions.

Tax Fees. This category consists of professional services rendered for tax compliance, tax planning and tax advice. The services for the fees disclosed under this category include tax return preparation, research and technical tax advice.

There were no other fees paid or accrued to PKF O'Connor Davies, LLP in the fiscal years ended September 30, 2025 or September 30, 2024.

Audit Committee Pre-Approval Policies and Procedures.

Before an independent public accounting firm is engaged by the Company to render audit or non-audit services, the engagement is approved by the Audit Committee. Our Audit Committee has the sole authority to approve the scope of the audit and any audit-related services as well as all audit fees and terms. Our Audit Committee must pre-approve any audit and non-audit related services by our independent registered public accounting firm. During our fiscal year ended September 30, 2025, no services were provided to us by our independent registered public accounting firm other than in accordance with the pre-approval procedures described herein.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) Documents Filed as Part of this Form 10-K

1. Financial Statements (included in Item 8 of this report on Form 10-K):

- Reports of Independent Registered Public Accounting Firm
- Consolidated Balance Sheets as of September 30, 2025 and 2024
- Consolidated Statements of Operations for the years ended September 30, 2025 and 2024
- Consolidated Statements of Comprehensive Income/(Loss) for the years ended September 30, 2025 and 2024
- Consolidated Statements of Stockholders' Equity for the years ended September 30, 2025 and 2024
- Consolidated Statements of Cash Flows for the years ended September 30, 2025 and 2024
- Notes to Consolidated Financial Statements

2. Financial Statement Schedules

- Not applicable

(b) Exhibits

Documents listed below, except for documents followed by a parenthetical, are being filed as exhibits. Documents followed by a parenthetical are not being filed herewith and, pursuant to Rule 12b-32 of the General Rules and Regulations promulgated by the SEC under the Securities Exchange Act of 1934 (the Act), reference is made to such documents as previously filed as exhibits with the SEC.

Exhibit No.	Exhibit	Incorporated by Reference			Filed Herewith
		Form	Filing Date	Exhibit No.	
3.1	Amended and Restated Certificate of Incorporation, as amended	10-Q	May 15, 2013	3.1	
3.2	Amended and Restated By-Laws	8-K	December 14, 2018	3.1	
3.3	Amendment to the Amended and Restated Bylaws of Bridgeline Digital, Inc., dated September 9, 2021	8-K	September 10, 2021	3.1	
3.4	Certificate of Designation of the Series A Convertible Preferred Stock	8-K	November 4, 2014	3.1	
3.5	Certificate of Designation of the Series B Convertible Preferred Stock	8-K	October 19, 2018	3.1	
4.1	Registration Rights Agreement, dated November 3, 2016, by and between Bridgeline Digital, Inc. and the Investors party thereto	8-K	November 4, 2016	10.3	
4.2	Form of Placement Agent Warrant	8-K	March 25, 2025	4.1	
10.1	Bridgeline Digital Inc. 2016 Stock Incentive Plan	DEF 14 A	March 22, 2016	Appendix B	
10.2	First Amendment to the Bridgeline Digital, Inc. 2016 Stock Incentive Plan	DEF 14-A	August 23, 2019	Appendix B	
10.3	Share Purchase Agreement, by and between the Company and WooRank SRL., dated February 2, 2021	8-K	February 3, 2021	10.1	
10.4	Form of Securities Purchase Agreement, dated February 4, 2021	8-K	February 9, 2021	10.1	
10.5	Form of Placement Agent Warrant, dated February 4, 2021	8-K	February 9, 2021	10.2	
10.6	Employment Agreement dated September 13, 2019 between Bridgeline Digital, Inc. and Roger "Ari" Kahn	8-K	September 19, 2018	10.1	
10.7	First Amendment to Roger "Ari" Kahn's Employment Agreement dated February 25, 2021	8-K	March 2, 2021	10.1	
10.8	Share Purchase Agreement, by and between the Company, Svanaco, Inc., an Illinois corporation, Svanawar, Inc., an Illinois corporation, and HawkSearch Inc., an Illinois corporation, dated May 11, 2021	8-K	May 12, 2021	10.1	
10.9	Employment Agreement dated November 30, 2021 between Bridgeline Digital, Inc. and Thomas R. Windhausen	10-K	December 20, 2021	10.29	
10.10	Second Amendment to the Bridgeline Digital, Inc. 2016 Stock Incentive Plan	DEF 14-A	February 14, 2022	Appendix A	
10.11	Amendment to Stock Purchase Agreement, among Bridgeline Digital, Inc., Svanaco, Inc., Svanawar, Inc., and HawkSearch Inc., dated June 15, 2022.	8-K	June 22, 2022	10.1	
10.12	Second Amendment to Roger "Ari" Kahn's Employment Agreement, effective August 14, 2022	8-K	August 24, 2022	10.1	
10.13	Third Amendment to the Bridgeline Digital, Inc. 2016 Stock Incentive Plan	DEF 14-A	April 17, 2023	Appendix A	
10.14	Amended and Restated Employment Agreement, dated February 3, 2025 between Bridgeline Digital, Inc. and Roger "Ari" Kahn	8-K	February 7, 2025	10.1	
10.15	Securities Redemption Agreement, dated March 5, 2025	8-K	March 11, 2025	10.1	
10.16	Form of Securities Purchase Agreement, dated as of March 24, 2025, by and among the Company and the purchasers party thereto.	8-K	March 25, 2025	10.1	
10.17	Form of Subscription Agreement, dated as of March 25, 2025.	8-K	March 25, 2025	10.2	
10.18	Bridgeline Digital Inc. 2025 Stock Incentive Plan	DEF 14-A	August 7, 2025	Appendix A	
19.1	Insider Trading Policy	10-K	December 26, 2024	19.1	
21.1	Subsidiaries of the Registrant				X
23.1	Consent of PKF O'Connor Davies, LLP				X
31.1	CEO Certification, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2	CFO Certification, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
32.1	CEO Certification, Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
32.2	CFO Certification, Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
97.1	Clawback Policy	10-K	December 27, 2023	97	
101.INS**	Inline XBRL Instance				X
101.SCH**	Inline XBRL Taxonomy Extension Schema				X
101.CAL**	Inline XBRL Taxonomy Extension Calculation				X
101.DEF**	Inline XBRL Taxonomy Extension Definition				X
101.LAB**	Inline XBRL Taxonomy Extension Labels				X
101.PRE**	Inline XBRL Taxonomy Extension Presentation				X
104	Cover Page Interactive Data File (embedded within the Inline XBRL and contained in Exhibit 101)				X

(c) Financial Statement Schedules

Not applicable

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BRIDGELINE DIGITAL, INC.
a Delaware corporation

By: /s/ Roger Kahn

Name: Roger Kahn

December 18, 2025

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Roger Kahn</u> Roger Kahn	President and Chief Executive Officer, Director (Principal Executive Officer)	December 18, 2025
<u>/s/ Thomas R. Windhausen</u> Thomas R. Windhausen	Chief Financial Officer (Principal Financial Officer)	December 18, 2025
<u>/s/ Kenneth Galaznik</u> Kenneth Galaznik	Director	December 18, 2025
<u>/s/ Joni Kahn</u> Joni Kahn	Director	December 18, 2025
<u>/s/ Michael Ketslakh</u> Michael Ketslakh	Director	December 18, 2025
<u>/s/ Brandon Ross</u> Brandon Ross	Director	December 18, 2025

Subsidiaries of Brideline Digital, Inc.

Brideline Digital Pvt. Ltd.
Brideline Digital Canada, Inc.
Brideline Digital Belgium BV
Hawk Search, Inc.
Woorank SRL

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statements of Bridgeline Digital, Inc. on Form S-8 (Nos. 333-213185, 333-208891, 333-170819, 333-188854, 333-181677, 333-181678, 333-234771, 333-264937, 333-276357 and 333-290591) and Form S-3 (No. 333-285176) of our report dated December 18, 2025, and with respect to our audit of the consolidated financial statements of Bridgeline Digital, Inc. as of September 30, 2025 and 2024 and for the years then ended, which report is included in this Annual Report on Form 10-K of Bridgeline Digital, Inc. for the year ended September 30, 2025.

/s/ PKF O'Connor Davies, LLP

New York, New York

December 18, 2025

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Roger Kahn, certify that:

1. I have reviewed this Annual Report on Form 10-K of Bridgeline Digital, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to recognize, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: December 18, 2025

/s/ Roger Kahn
Roger Kahn
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas R. Windhausen, certify that:

1. I have reviewed this Annual Report on Form 10-K of Bridgeline Digital, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to recognize, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: December 18, 2025

/s/ Thomas R. Windhausen

Thomas R. Windhausen
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Bridgeline Digital, Inc. (the "Company") on Form 10-K for the year ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Roger Kahn, President and Chief Executive Officer of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition of the Company as of the dates presented and result of operations of the Company for the periods presented.

Date: December 18, 2025

Name:

Title:

/s/ Roger Kahn

Roger Kahn

President and Chief Executive Officer
(Principal Executive Officer)

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Bridgeline Digital, Inc. (the "Company") on Form 10-K for the year ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Thomas R. Windhausen, Chief Financial Officer of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition of the Company as of the dates presented and result of operations of the Company for the periods presented.

Date: December 18, 2025

Name:
Title:

/s/ Thomas R. Windhausen

Thomas R. Windhausen
Chief Financial Officer
(Principal Financial Officer)

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.