

# BRIDGELINE

Investor Presentation

February 14, 2025

AIU	1.822
EJK	3.680
HPL	1.042
KEE	485
NAH	8.569
QOP	6.602
TIK	890
WAG	6.280
AHD	2.436

	WWE	PLQ	EER	QRT	OPY
	890	6,350	10,985	665	6,800
	(-28)	(-200)	(+580)	(-15)	(-115)
	MJB	BON	NFR	UGH	OMJ
	2,889	7,654	6,522	1,632	3,652
	(+95)	(+169)	(+122)	(-54)	(+182)
	DMN	MMI	UIT	KLM	CCX
	5,211	7,100	7,150	782	1,901
	(+158)	(-60)	(+150)	(+74)	(+101)
	WFF	HJM	DLC	LSD	SDH
	713	3,927	3,333	431	4,207
	(-12)	(-120)	(-100)	(-10)	(-120)



# Safe Harbor Statement

The information in this presentation may contain 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 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; instability in the financial markets, including the banking sector; 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; 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.

Given these uncertainties, you should not place undue reliance on these forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, among others, those set forth in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”), as well as any updates to those risk factors that may be filed with the SEC from time to time in our periodic and current reports on Form 8-K and 10-Q. All statements contained in this presentation are made only as of the date of the presentation, and the Company undertakes no duty to update this information unless required by law.

This presentation includes statistical and other industry and market data that the Company obtained from industry publications and research, surveys and studies conducted by third parties. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While the Company believes that these industry publications and third-party research, surveys and studies are reliable, the Company has not independently verified such data and the Company does not make any representation as to the accuracy of the information.

# Non-GAAP Financial Measures

This press release contains references to Adjusted EBITDA, a Non-GAAP financial measure.

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, stock-based compensation expense, impairment of goodwill and intangible assets, non-cash warrant related income/expense, changes in fair value of contingent consideration, restructuring and acquisition-related costs, amortization of debt discounts, preferred stock dividends and any related tax effects. Bridgeline uses Adjusted EBITDA as a supplemental measure of our performance that is not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP").

Bridgeline's management does not consider Non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of Non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in the Company's financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expenses and income are excluded or included in determining these Non-GAAP financial measures. To compensate for these limitations, Bridgeline management presents Non-GAAP financial measures in connection with GAAP results. Bridgeline urges investors to review the reconciliation of its Non-GAAP financial measure to the comparable GAAP financial measure, which is included in this press release, and not to rely on any single financial measure to evaluate Bridgeline's financial performance.

Our definition of Non-GAAP Adjusted EBITDA may differ from and therefore may not be comparable with similarly titled measures used by other companies, thereby limiting its usefulness as a comparative measure. As a result 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 GAAP.

## **Other Terms**

Core Product revenue includes all subscription license and services revenue from HawkSearch, WooRank licenses for HawkSearch customers, and AccessiBe.

Net Revenue Retention ("NRR") is measured as the current period trailing twelve months Monthly Recurring Revenue ("MRR"), including Cross Sales and Net Renewal (expansion less contraction) MRR, all divided by trailing twelve months MRR for the previous period trailing twelve months.

# Q1 FY25 Highlights

## The AI Leader in eCommerce Search

**\$3.8M**  
Revenue

**10%**  
Core CAGR

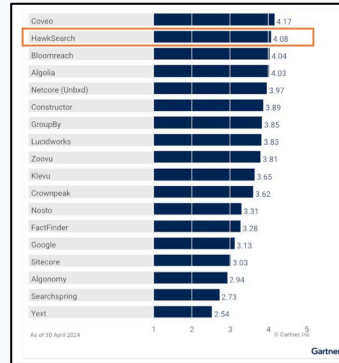
**\$2.7M**  
Sales TCV

**107%**  
Core NRR

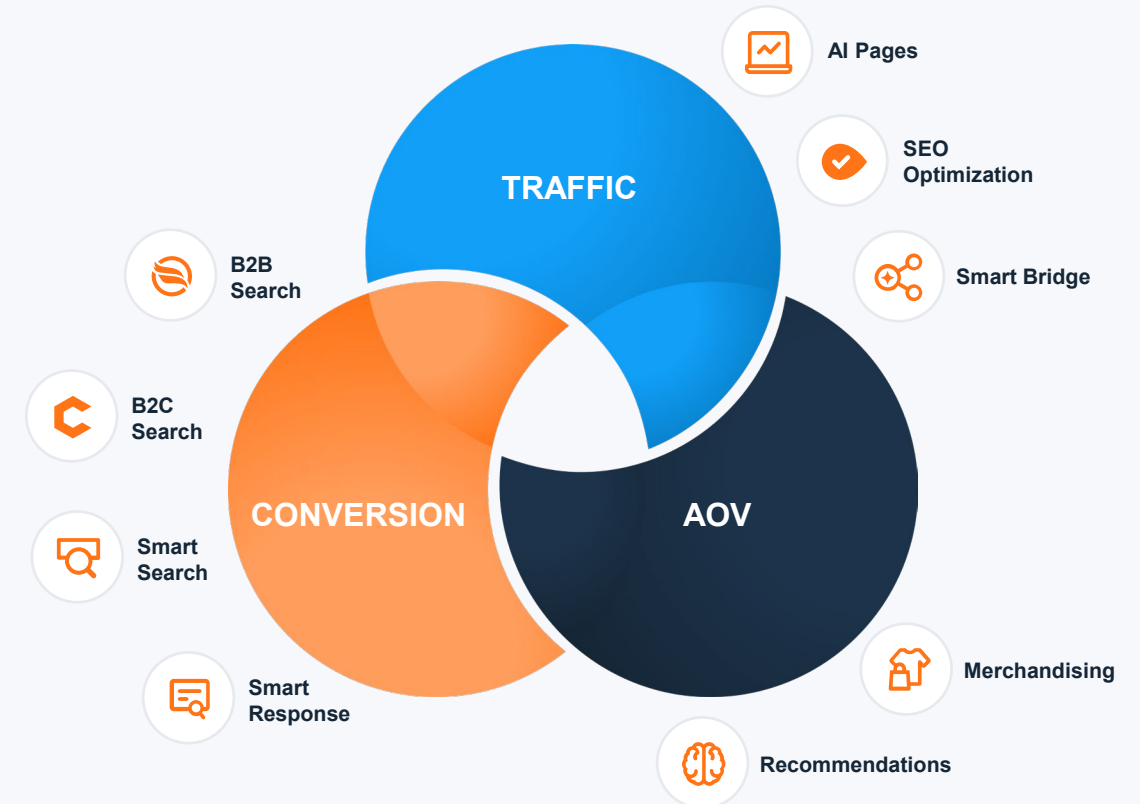
**71%**  
Subscription GM

**Gartner**

HawkSearch Ranked  
Top B2B Search



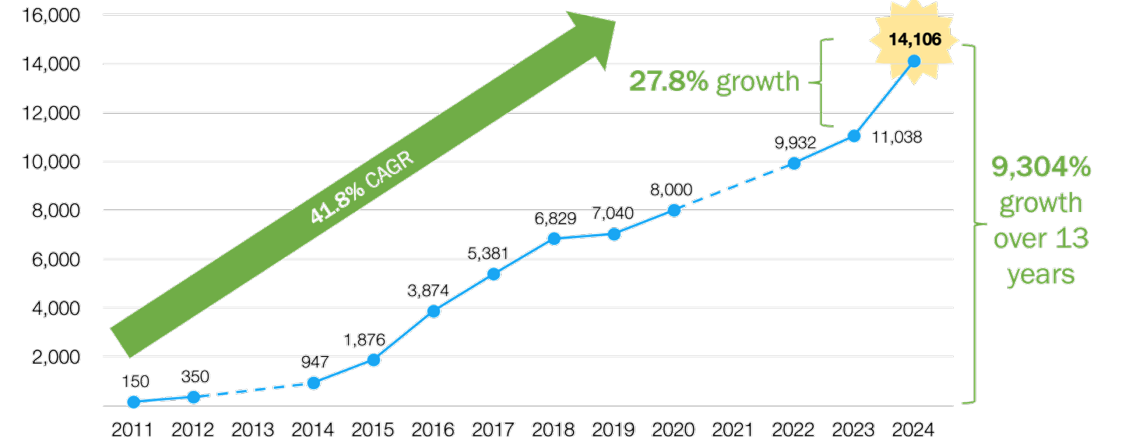
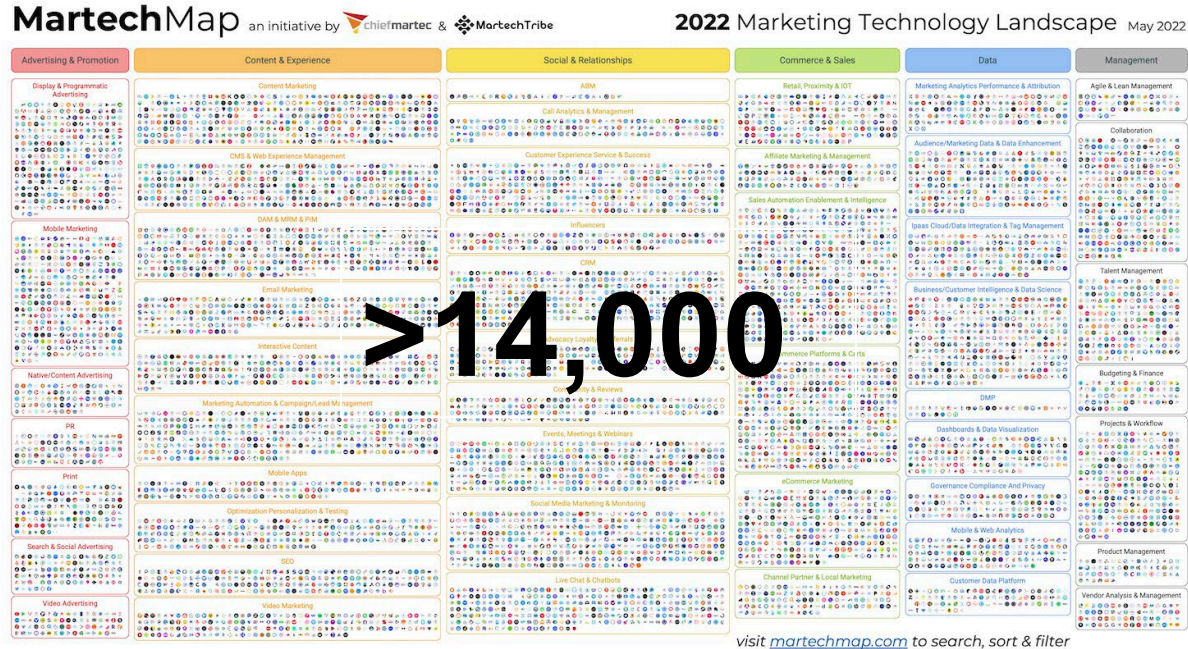
eCommerce **360** REVENUE = TRAFFIC x CONVERSION x AOV



# The MarTech Market

# Marketing Technology

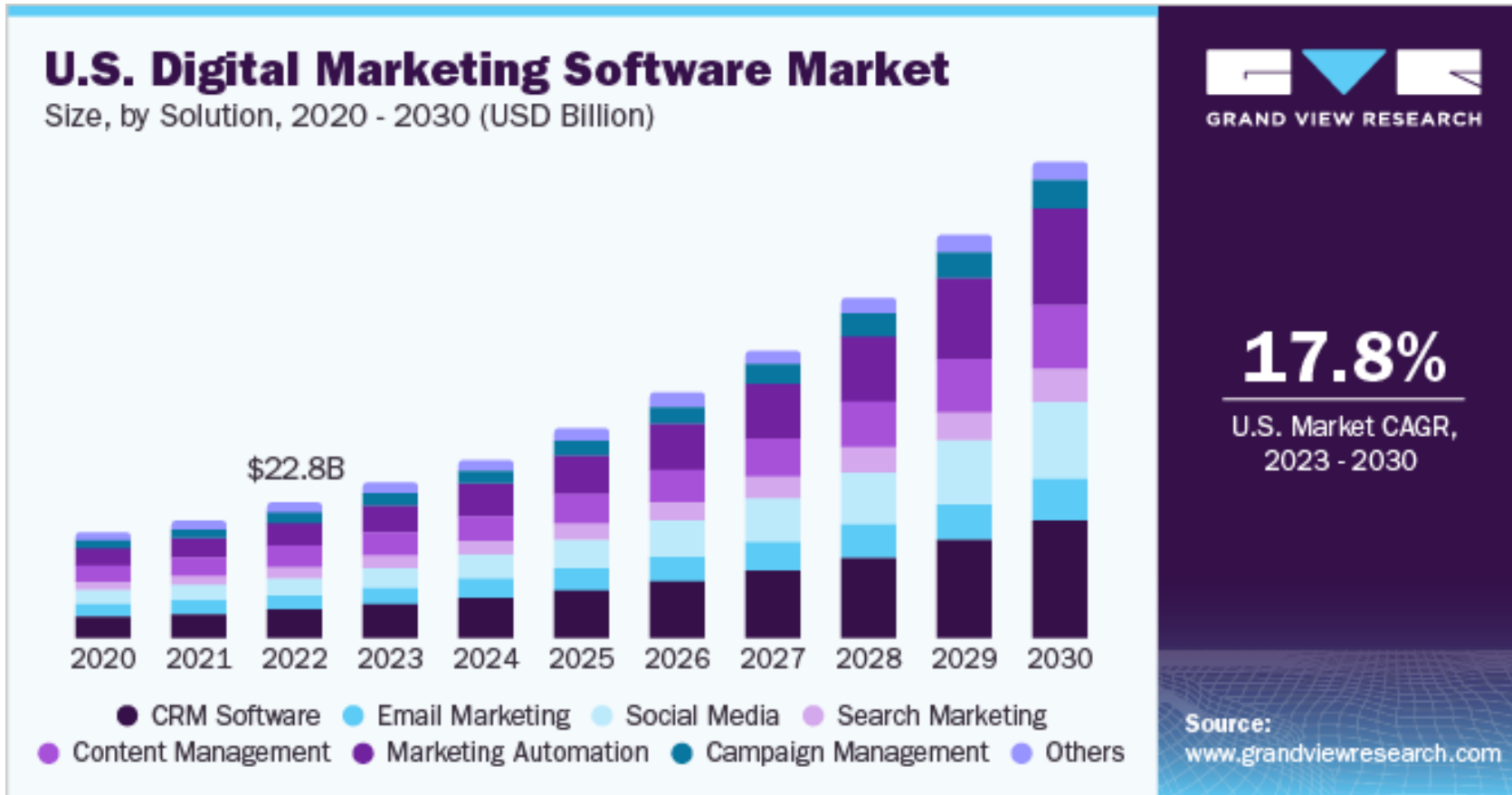
## Exponential Growth



- Lots of great ideas, but too many players
- Opportunity for consolidation
  - SaaS model requires capital
  - Too many for VCs to fund them all

- Strong CAGR pre/during/post COVID
- Software to market and sell online

# Marketing Technology



## Bridgeline Markets

### B2B Customer Profile:

- Mid-Market (\$250M - \$2B)
- Manufacturing & Distribution
- Associations
- Customers: Caterpillar, BlackHawk, CED

### B2C Customer Profile:

- Mid-Market (\$250M - \$2B)
- Retail
- Consumer Electronics
- Customers: HP, PNY, Black Diamond

# Bridgeline

# Bridgeline Powers 350 Companies



BRIDGELINE

# Bridgeline **Launches** 1 Site per Week

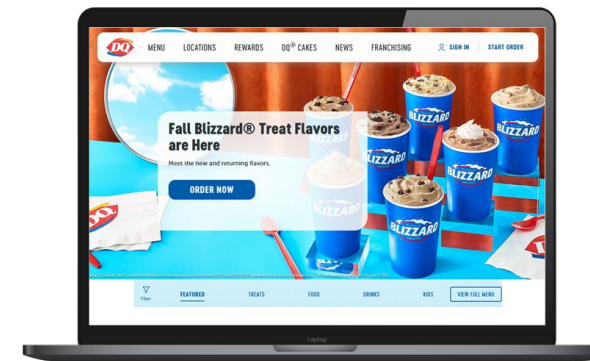
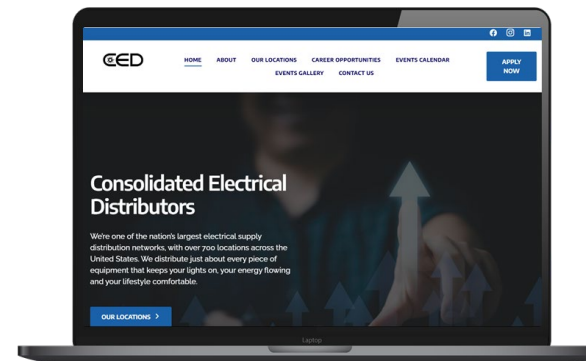
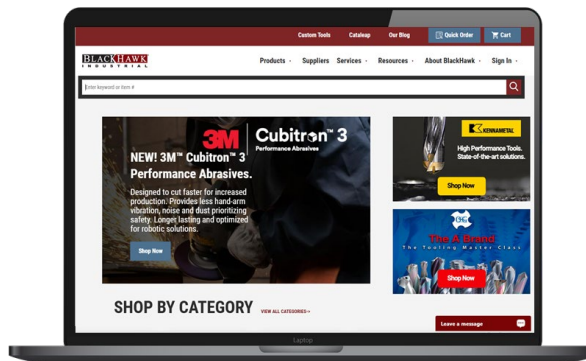
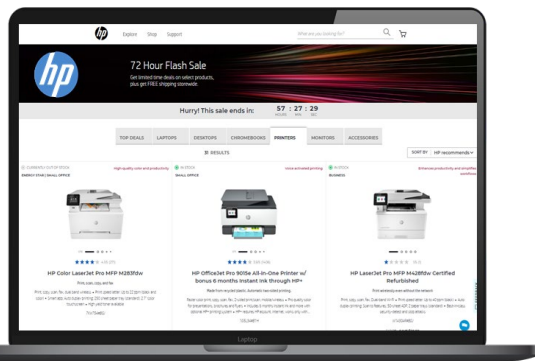
## Momentum

- Launching more than 1 new site per week
- RapidUI – Out of the Box
- Scale – Enterprise
- Connectors – CMS Catalog Integration
- SmartSearch – AI on Demand

## Industrial and Distributors



## Brands and Catalogs



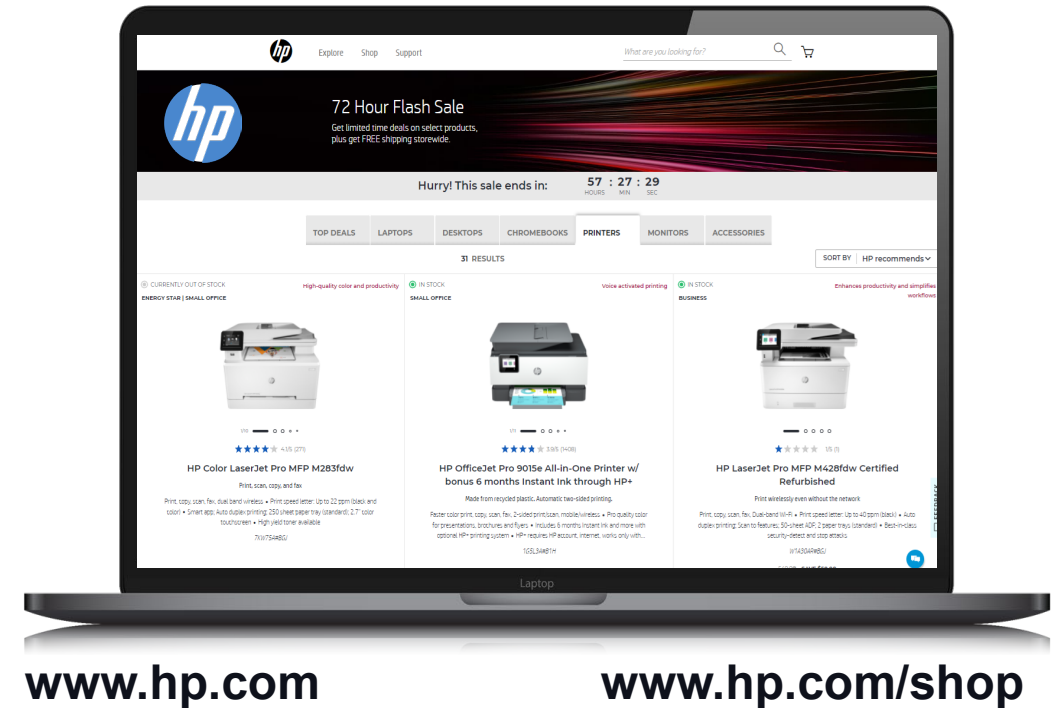
# Bridgeline Drives **\$1M per Hour** for HP.com

## Challenge

- 2 computers per second
- \$1,000,000 per hour
- 1,000,000+ products
- 100 campaigns per day

## Solution

- Traffic: Traffic builder drives customers to site
- Conversion: Search increases conversion of traffic to buyers
- Order Size: Recommendations increase order size

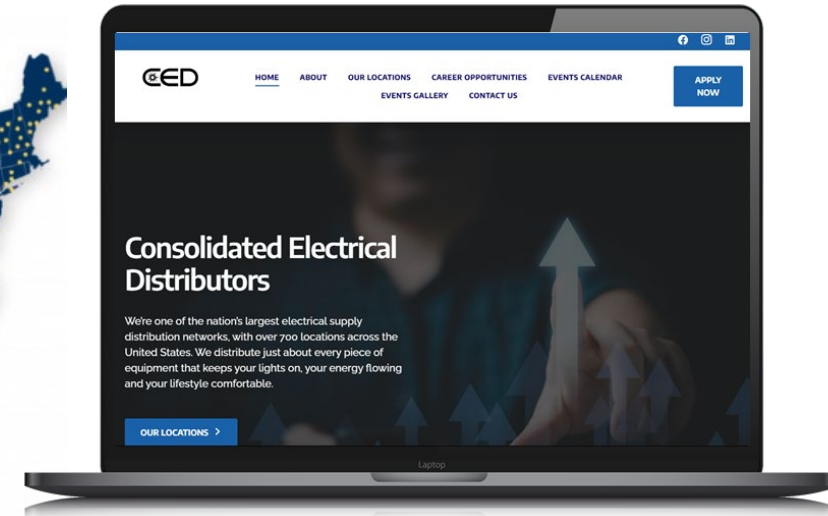


BRIDGELINE

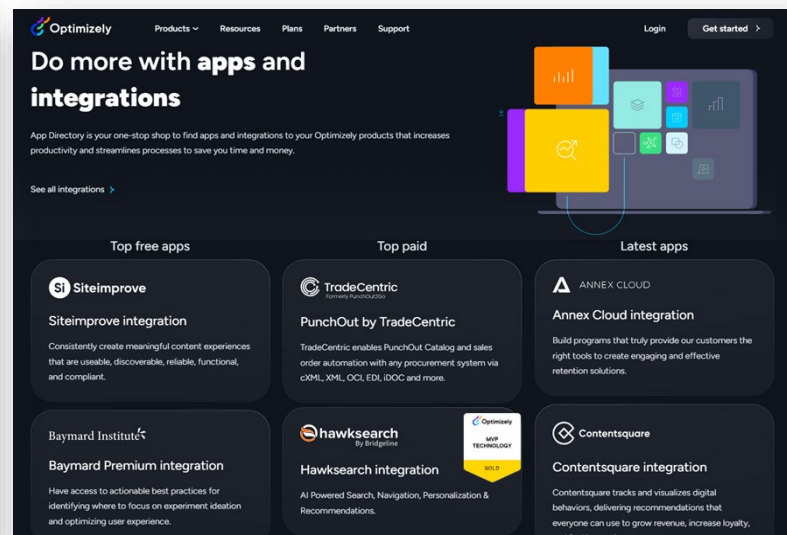
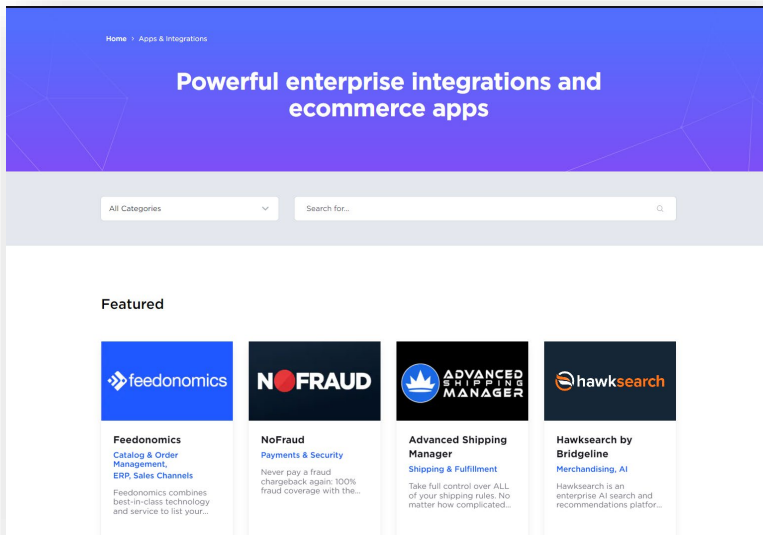


# Bridgeline **Manages** 750 CED Sites

## B2B Electrical Distributor



# Partners **Recommend** Bridgeline



## Relationship

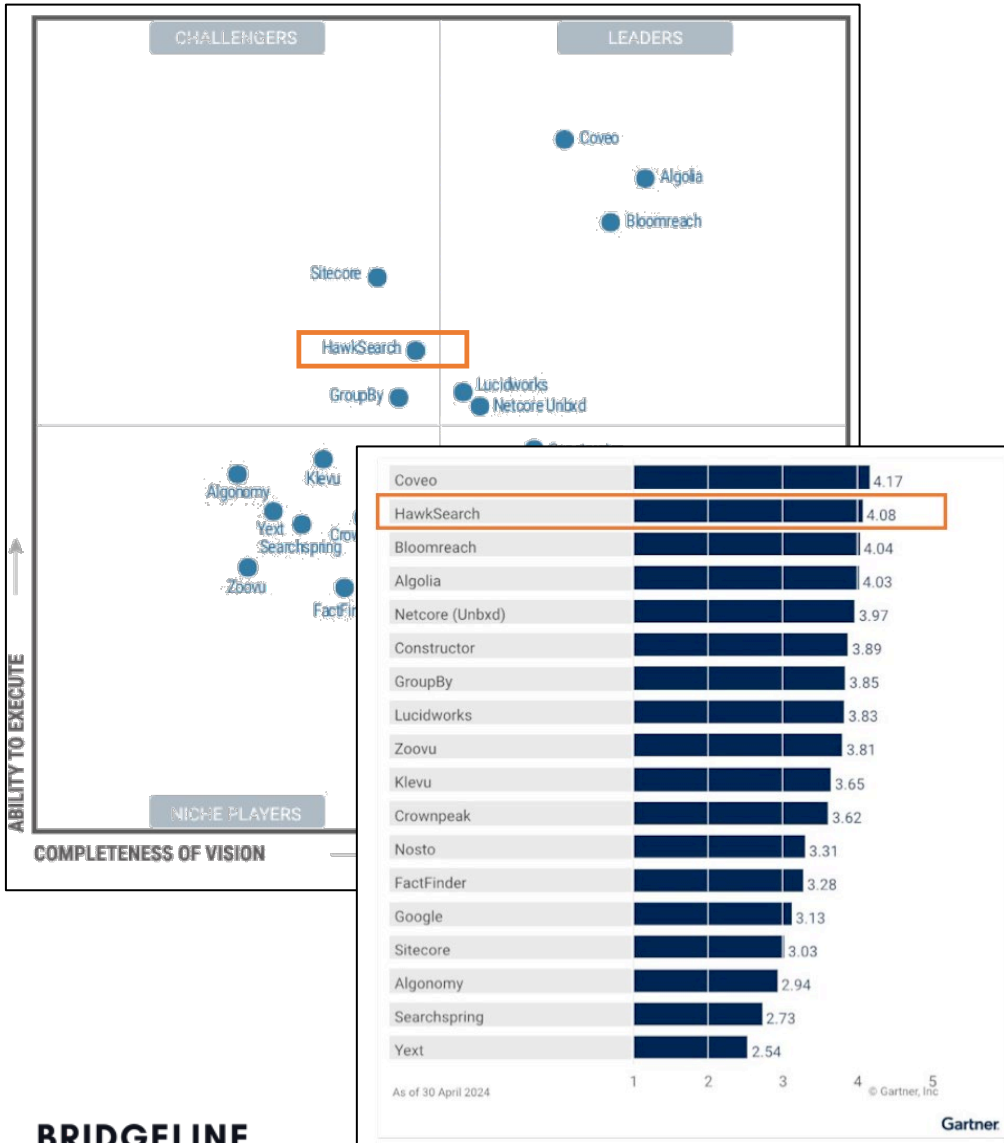
- Top paid app in app store
- One click install

## Relationship

- “Featured” in app store
- B2B AI powered search



# Gartner Rate HawkSearch in Top B2B Search



"HawkSearch has a strong presence in B2B Support, where it has extensive functionality in part number search, units of measurement, product grouping and entitlement management..."

- Gartner

"It has strong B2B capabilities with rich configuration options, and content search results can be seamlessly blended with product results."

- Gartner

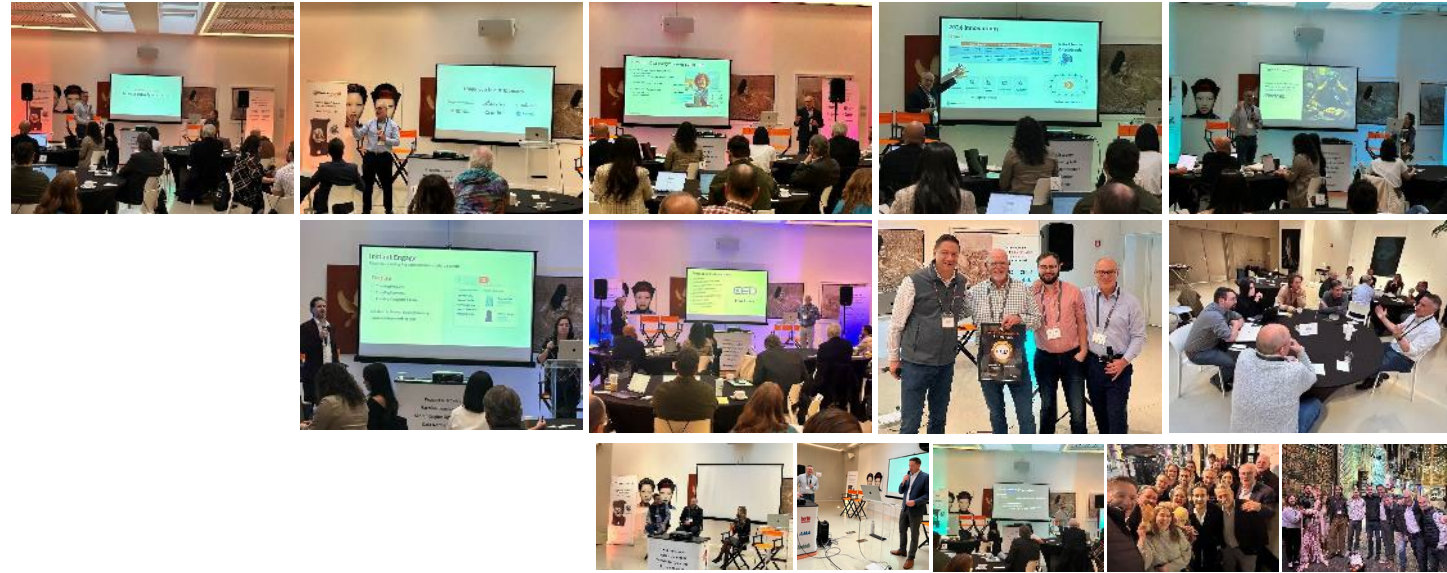
"For B2B use cases HawkSearch provides, "A granular set of accelerators ... as well as comprehensive unit-of-measurement conversion, SKU search, product grouping with multilayer drill-downs, and child variant management. Entitlement is also highly flexible."

- Gartner

# Customers Invest in Bridgeline

## 2 Day Customer Summit in Chicago

- Paid for by customers & partners
- 30 customers attended on 2-month notice
- 7 partners sponsored



**103%**  
NRR

**13.3**  
CAC Payback

**2X**  
Y/Y ARPU



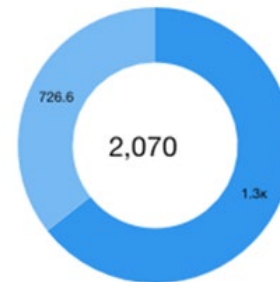
**BRIDGELINE**

### Single answer selection

How would you rate the overall quality of the summit? 🌟

### ARR Split

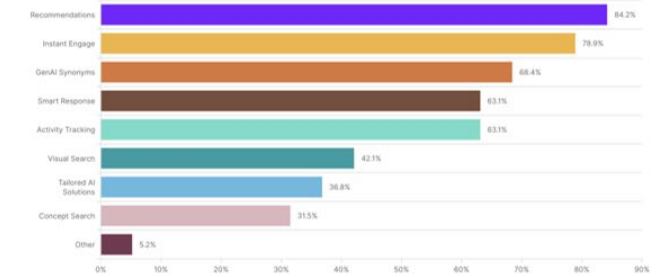
Sum of License (ARR) (converted) (USD) (Thousands)



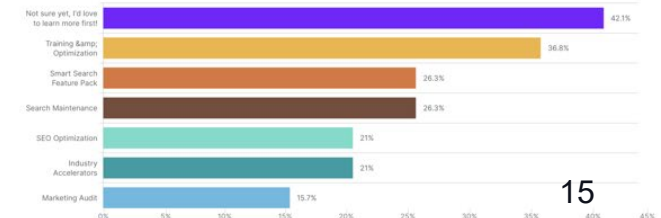
Opportunity Record Type ● New License Engagement ● CSD New License

### Multiple answer selection

What features are you interested in enabling on your site in the near future? 🚀



What packaged solutions are you interested in leveraging in the future? 🤖



# Customers **Promote** Bridgeline



- Revenue focused value proposition
- 2023 - 2024 breakout success with HawkSearch
- Efficient organic and inorganic growth models
- New level of AI within MarTech
  - Smart Search
  - Concept Search
  - Image Search



## Competitors



- Smaller one-off apps
- Lower customer star reviews
  - Less interaction due to 100% subscription
- Inefficient models and lower quality



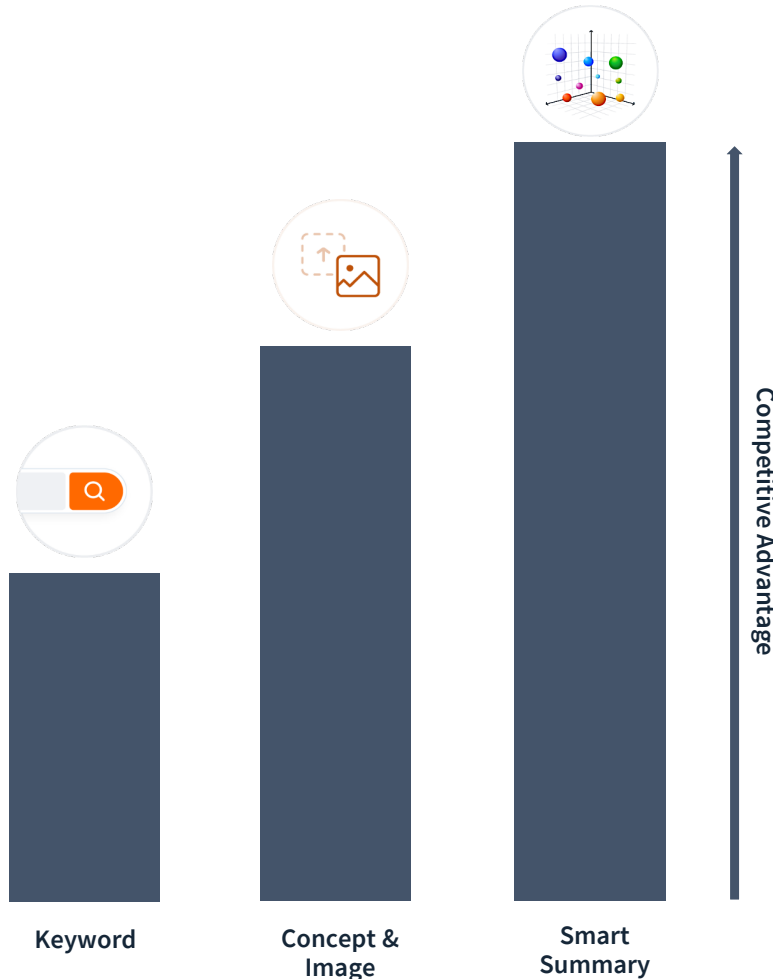
# Bridgeline is the **AI-Leader** in Search

**Technology:** Concept, Image & Visual Search and Smart Response

**Momentum:** 87% increase in bookings Year/Year

**Partners:** Unique value for platform partners drives leads that convert

**Reputation:** Analysts recommend HawkSearch above competitors



## HawkSearch



## Searchspring



## Elastic



## Algolia



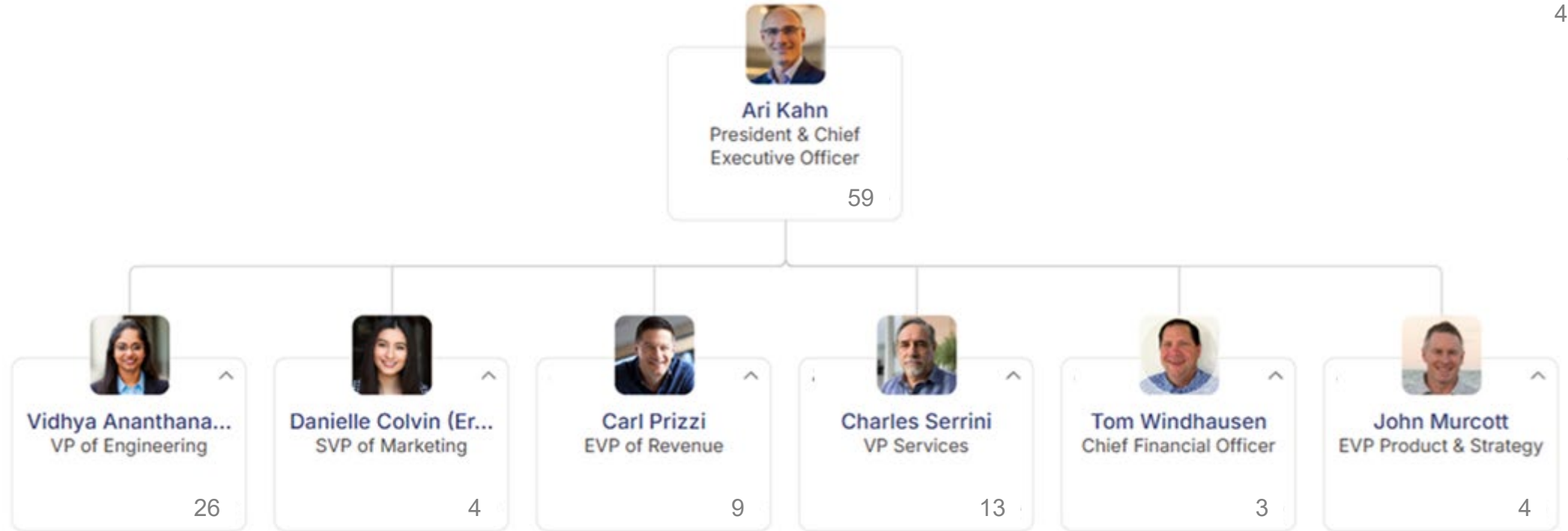
## Bloomreach



# Bridgeline **Releases** 5 AI Products in 2024

	Smart Search (RAG)			Smart Response (GenAI)		HawkAI		
Feature	Concept Search	Visual Search	Image Search	Summary	Conversation	AI Multiplier	AI Content Assistant	AI Synonym Generator
Capability	NLP Multi-lingual	Image Upload Mobile	Search for image with text	Prompt driven analysis of results	Thread maintained & prompt driven	Machine learning based on site usage	Extension to WYSIWYG editor	Extension to standard Synonym option
DIY	QuickStart	QuickStart	QuickStart	Dev Portal	Dev Portal	QuickStart	Dev Portal	Dev Portal

# Team



- 48
- 6
- 4
- 1

## Engineers

- 12 R&D
- 13 Services
- 3 Hosting
- 4 Support
- 4 Products

## Sales & Marketing

- 3 Direct Sales
- 4 Customer Success
- 4 Marketing
- 2 Inside Sales

## Administration

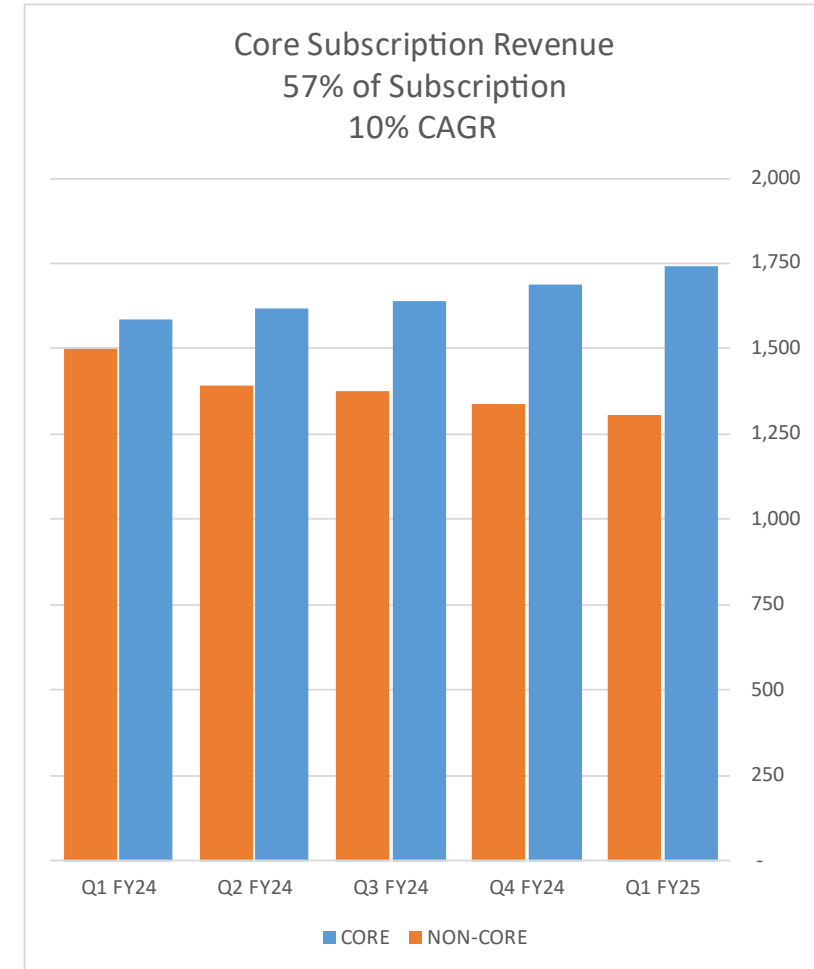
- 1 CEO
- 4 Finance

# Financials

# Income Statement: Q1 FY25

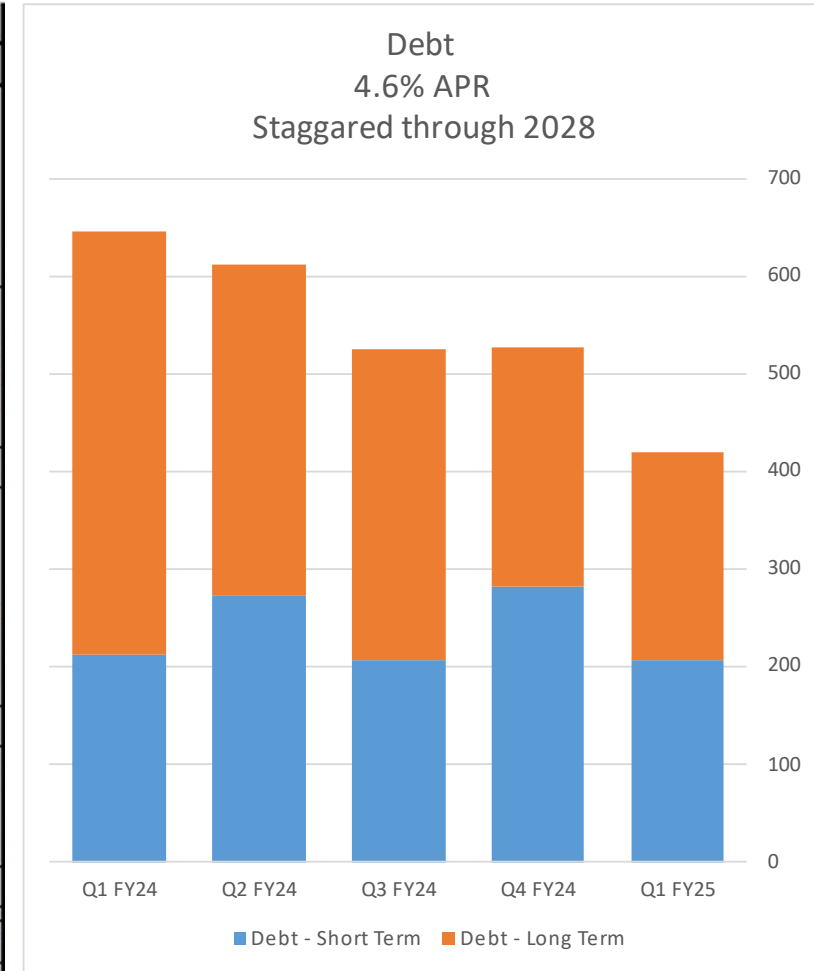
Income Statement	Q1 FY25	Q1 FY24	Q1 vs. Q1	Q1 vs. Q1
<b>Revenue</b>				
Services	743	669	74	11%
Subscription & License	3,048	3,086	(38)	-1%
<b>Revenue</b>	<b>3,791</b>	<b>3,755</b>	<b>36</b>	<b>1%</b>
<b>Cost of Goods Sold</b>				
Services	363	376	(14)	-4%
Subscription	893	827	66	8%
<b>Cost of Goods Sold</b>	<b>1,256</b>	<b>1,203</b>	<b>53</b>	<b>4%</b>
<b>Gross Profit</b>	<b>2,535</b>	<b>2,552</b>	<b>(17)</b>	<b>-1%</b>
Services GM	51%	44%	7%	
Subscription & License GM	71%	73%	-3%	
Gross Margin	67%	68%	-1%	
<b>Operating Expenses</b>				
S&M	982	913	69	8%
G&A	786	781	4	1%
R&D	1,073	1,093	(20)	-2%
Depr&Amort	195	385	(190)	-49%
Restructuring/Acquisition	10	15	(5)	-34%
<b>Operating Expenses</b>	<b>3,046</b>	<b>3,187</b>	<b>(141)</b>	<b>-4%</b>
<b>Operating Income</b>	<b>(511)</b>	<b>(635)</b>	<b>125</b>	<b>-20%</b>
<b>Other Income/Expenses</b>	<b>(124)</b>	<b>13</b>	<b>(137)</b>	<b>-1030%</b>
<b>Net Income</b>	<b>(634)</b>	<b>(622)</b>	<b>(12)</b>	<b>2%</b>
<b>Adjusted EBITDA</b>	<b>(193)</b>	<b>(117)</b>	<b>(76)</b>	<b>65%</b>

**BRIDGELINE**



# Balance Sheet: Q1 FY25

Balance Sheet	Q1 FY25	Q4 FY24	Q3 FY24	Q2 FY24	Q1 FY24	'25 vs '24 Change \$
<b>Assets</b>						
Current Assets						
Cash and Cash Equivalents	1,483	1,390	1,200	1,302	1,409	93
Accounts Receivable and Unbilled Rev.	1,170	1,288	1,531	1,462	1,251	(118)
Prepays and Other Current Assets	474	269	332	388	463	205
<b>Current Assets</b>	<b>3,127</b>	<b>2,947</b>	<b>3,063</b>	<b>3,152</b>	<b>3,123</b>	<b>180</b>
Equipment, Leases, Other Assets	226	279	340	384	467	(53)
Intangibles	3,724	3,908	4,094	4,278	4,544	(184)
Goodwill	8,468	8,468	8,468	8,468	8,468	-
<b>Total Assets</b>	<b>15,545</b>	<b>15,602</b>	<b>15,965</b>	<b>16,282</b>	<b>16,602</b>	<b>(57)</b>
<b>Liabilities and Stockholders' Equity</b>						
Current Liabilities						
Debt - Short Term	201	282	207	273	213	(81)
Accnts Payable & Accrued Liab. & Other	3,058	2,257	2,229	2,165	2,504	801
Deferred Revenue	1,823	2,189	2,167	2,161	1,660	(366)
<b>Current Liabilities</b>	<b>5,082</b>	<b>4,728</b>	<b>4,603</b>	<b>4,599</b>	<b>4,377</b>	<b>354</b>
Debt - Long Term	208	244	317	339	433	(36)
Warrant Liability	212	98	93	181	156	114
Other Long Term Liabilities	493	526	614	658	775	(33)
<b>Total Liabilities</b>	<b>5,995</b>	<b>5,596</b>	<b>5,627</b>	<b>5,777</b>	<b>5,670</b>	<b>399</b>
<b>Total Stockholders' Equity</b>	<b>9,550</b>	<b>10,006</b>	<b>10,338</b>	<b>10,505</b>	<b>10,932</b>	<b>(456)</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>15,545</b>	<b>15,602</b>	<b>15,965</b>	<b>16,282</b>	<b>16,602</b>	<b>(57)</b>



# Cash Flow: Q1 FY25

Cash Flows	Q1 2025	FY 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net cash (used in) provided by operating activities	\$ 178	\$ (765)	\$ 217	\$ -	\$ (86)	\$ (896)
Net cash used in investing activities	(5)	(29)	(5)	(19)	(5)	-
Net cash used in financing activities	(83)	(209)	(20)	(84)	(21)	(84)
Impact of Fx on cash balances	3	16	(2)	1	5	12
<b>Cash at end of period</b>	<b>1,483</b>	<b>1,390</b>	<b>1,390</b>	<b>1,200</b>	<b>1,302</b>	<b>1,409</b>

Cash Flows	Q1 2025
Net loss	\$ (634)
Adjustments:	
Amortization of intangible assets	184
Depreciation and other amortization	17
Change in fair value of warrant liabilities	114
Deferred income taxes	-
Stock-based compensation	107
Changes in operating assets and liabilities	
Accounts receivable	107
Prepaid expenses and other current assets	(207)
Other assets	-
Accounts payable and accrued liabilities	860
Deferred revenue	(354)
Other liabilities	(16)
Total adjustments	812
Net cash (used in) provided by operating activities	\$ 178

## Financing Activities (Debt)

- Q1: € 78K debt payments in Q1 FY25 (\$ 83K USD)
- ST: € 193K debt payments next 12 Months (\$201K USD)
- LT: € 200K staggered through 2028 (\$208K USD)
- € 60K semi-annual payments for Seller Note
- € 18K quarterly payment for Term Loan

# Cap Table: Mar 12, 2025

Cap Table	Total Shares
Common Stock	10,442,609
Warrants	804,533
Stock Options	<u>2,079,648</u>
Total	13,326,790

## Warrants

- 592K at \$2.51 exercise price (expire Nov 2026)
- 180K at \$2.85 exercise price (expire May 2026)
- 33K at \$9.07 exercise price (weighted avg)

## Employee Stock Options

- \$2.25 exercise price (weighted average)