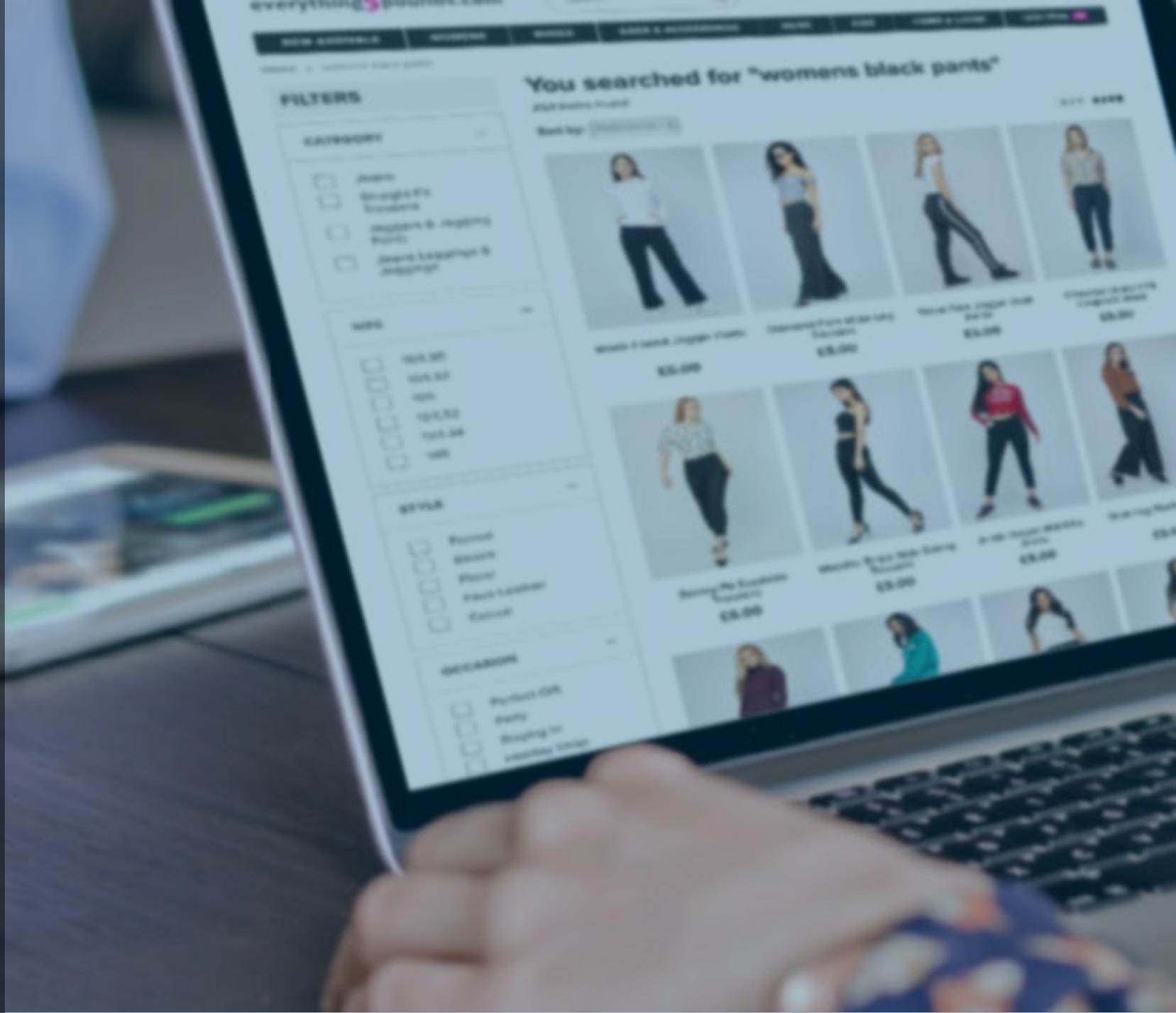


NASDAQ: BLIN

BRIDGELINE
DIGITAL

Investor Presentation

September 2020

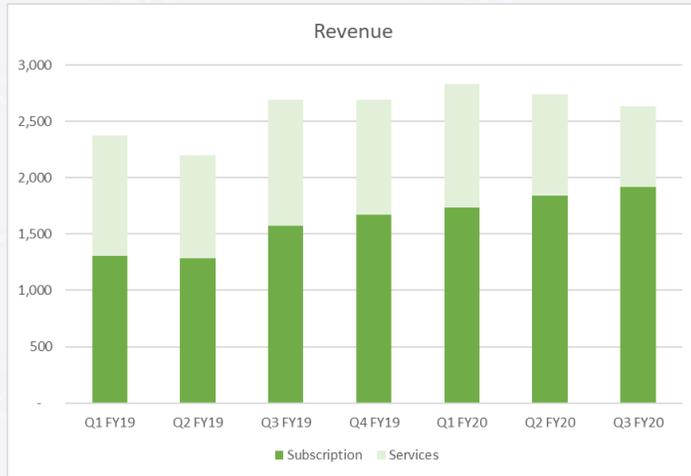


Safe Harbor Statement

The information in this presentation may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You can identify these statement by use of the words “may,” “will,” “should,” “plans,” “explores,” “expects,” “anticipates,” “continues,” “estimates,” “projects,” “intends,” and similar expressions. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. These risks and uncertainties include, but are not limited to, general economic and business conditions, effects of continued geopolitical unrest and regional conflicts, competition, changes in customer order patterns, changes in customer offering mix, continued success in technological advances and delivering technological innovations, delays due to issues with outsourced service providers, and various other factors beyond the control of Bridgeline Digital, Inc. (the “Company”). 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 Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on December 21, 2017, 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 Forms 8-K and 10-Q. All statements contained in this presentation are made only as of the date of this 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 the 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.

Investment Highlights



7 consecutive quarters of subscription revenue growth



More sales in Q3 than Q1 & Q2 combined
More sales in Q4 than Q3

Name	Ticker	Revenue	EBITDA	Enterprise Value	EV / Rev
Bango	BGO.L	\$9M	(\$1M)	\$106M	11X
Izea Worldwide	IZEA	\$19M	(\$5M)	\$56M	3x
SharpSpring	SHSP	\$23M	(\$9.25M)	\$120M	5x
Elastic N.V.	ESTC	\$428M	(\$158M)	\$9,370M	22X
HubSpot	HUBS	\$675M	\$1M	\$13,170M	17x
Box Software	BOX	\$696M	(\$81.18M)	\$3,160M	4x
Wix	WIX	\$761M	(\$63.5M)	\$15,930M	19x
Shopfy	SHOP	\$1,578M	(\$105M)	\$127,060M	61x
Bridgeline	BLIN	\$10M	\$2M	\$9M	1x

Profitable software company
Trades at 1x revenue | Comps at 3x revenue

Company

- Cloud software in Marketing Technology
- Help online retailers grow revenue
- Touchless sales model

Q3 FY20 Results *(fiscal year ends sept 30)*

- 22% subscription revenue growth
- Positive operating income & Adj EBITDA
- Q3 sales beat Q1 and Q2 combined
- No debt except \$1M PPP loan
- No preferred stock dividends

Q4 FY20 Guidance

- Growth in subscription revenue
- Positive operating income & Adj EBITDA
- Q4 sales beat Q3
- PPP loan to be forgiven - \$0.23/share

* Q4 FY20 sales through August 31, 2020

BRIDGELINE

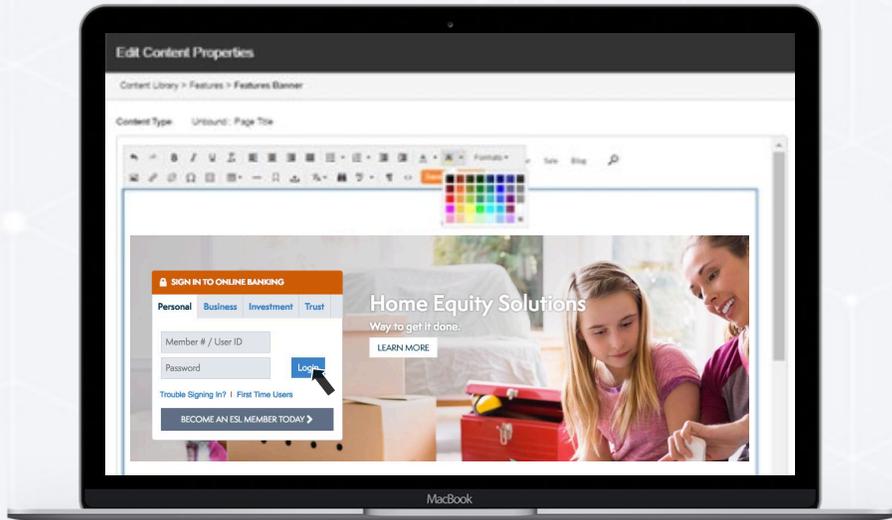
DIGITAL

Company

Marketing Technology

Powering digital experiences across Websites, eCommerce, Email Marketing & Social Media Channels

Rapidly evolving market thanks to AI, IoT, Mobile, and Voice to encompass all aspects of customer engagement



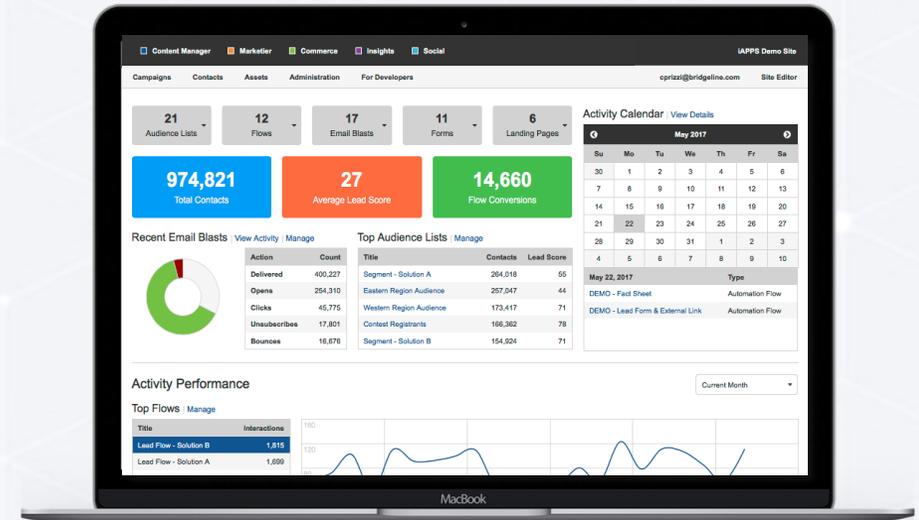
Manage Content & Data

Robust platform for publishing timely content updates, managing eCommerce operations and launching online marketing campaigns.



Mobile and Voice

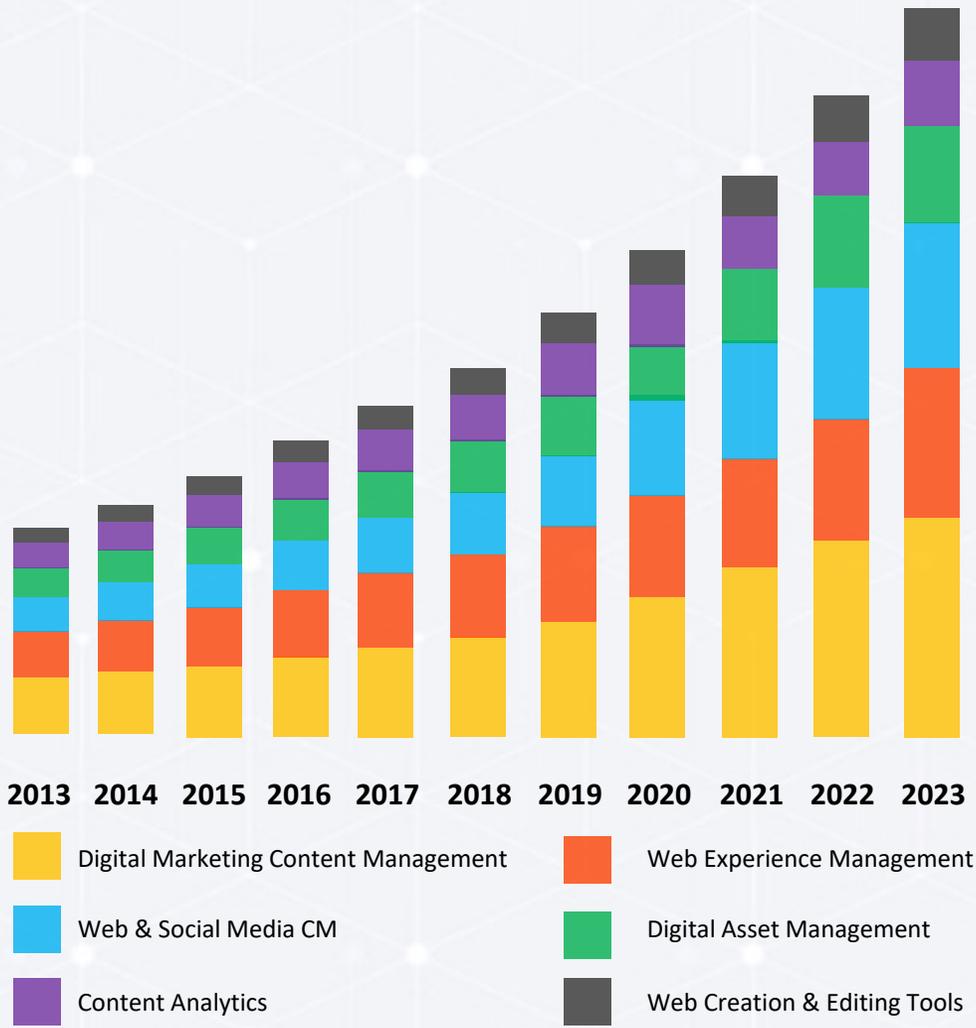
Consistent experiences across various devices for increased accessibility and engagement.



Automation & Personalization

Intelligent solutions for attracting, engaging, nurturing and converting prospects to loyal customers.

Market Trends



Growth of Customer Experience Market

- 22% CAGR projected to \$18B by 2023
- Fragmented with platforms and apps

Platforms

- Foundation for online marketing
- Require extensive customization
- Purchased once every 5 years

Apps

- Extend platforms
- Out of the Box
- Purchased as needed

Bridgeline is Unique

- World class platform
- Apps compatible with competitive platforms

Sources:

- www.psmarketresearch.com/market-analysis/web-content-management-market
- www.chiefmartec.com/2020/04/marketing-technology-landscape-2020-martech-5000
- www.marketwatch.com/press-release/customer-experience-management-market-2019-2023-key-findings-global-trends-regional-analysis-growth-top-key-players-profiles-and-future-prospects-2019-04-09

Expanding our Total Addressable Market

Platform



CONTENT

Publishing
Enterprise Search
SEO Management
Workflows
Translation



COMMERCE

Catalog
Cart & Checkout
Shipping & Payments
Coupons
Personalization



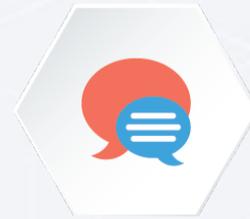
PORTAL

Native Salesforce
Compliance
Authenticated Users
Omni-Channel
Intranet



MARKETING

Email Marketing
Lead Capture
Automation
Segmentation
Landing Pages



PAGES

Franchise Pages
Store Locator
Traffic & SEO
Email
Online Order

Apps



TRANSLATE

Translation
Workflow
Language
Industry Solutions
International SEO



INSIGHTS

Dashboards
Performance
Heatmapping
Recording
Funnel Analysis



SEARCH

Natural Language
Machine Learning
Merchandising
Product Finder
Search Analytics

Platform

- Customers ready to re-platform
- Purchase once every 5-years
- Enterprise sales cycle

Apps

- Customers unwilling to platform
- Purchase as needed
- Touchless sales cycle

200 Customers Across 3 Continents

Franchise

SportClips
HAIRCUTS



The UPS Store

sears

Finance

Deloitte.

Manulife

ESL
Federal Credit Union™

Corona
direct

AmerisourceBergen®

Manufacturing

CATERPILLAR

TRIUMPH

deflecto®

xylem
Let's Solve Water

RAM TOOL
CONSTRUCTION SUPPLY CO.

Healthcare

AstraZeneca

Bristol-Myers Squibb

endo

Montefiore

Hartford
HealthCare

Retail

**Hammacher
Schlemmer**

PNY®
Make Life Simple™

sugarfina®

LILLIAN VERNON

co-op
SUPERSTORES

Marketplaces – Superstores without Aisles



Apps are 'products' not 'companies'

- Sea of one-off apps
- Must know product name to find it
- Can only search by feature (e.g. traffic)



Revenue360

$$\text{REVENUE} = \text{TRAFFIC} \times \text{CONVERSION} \times \text{AOV}$$



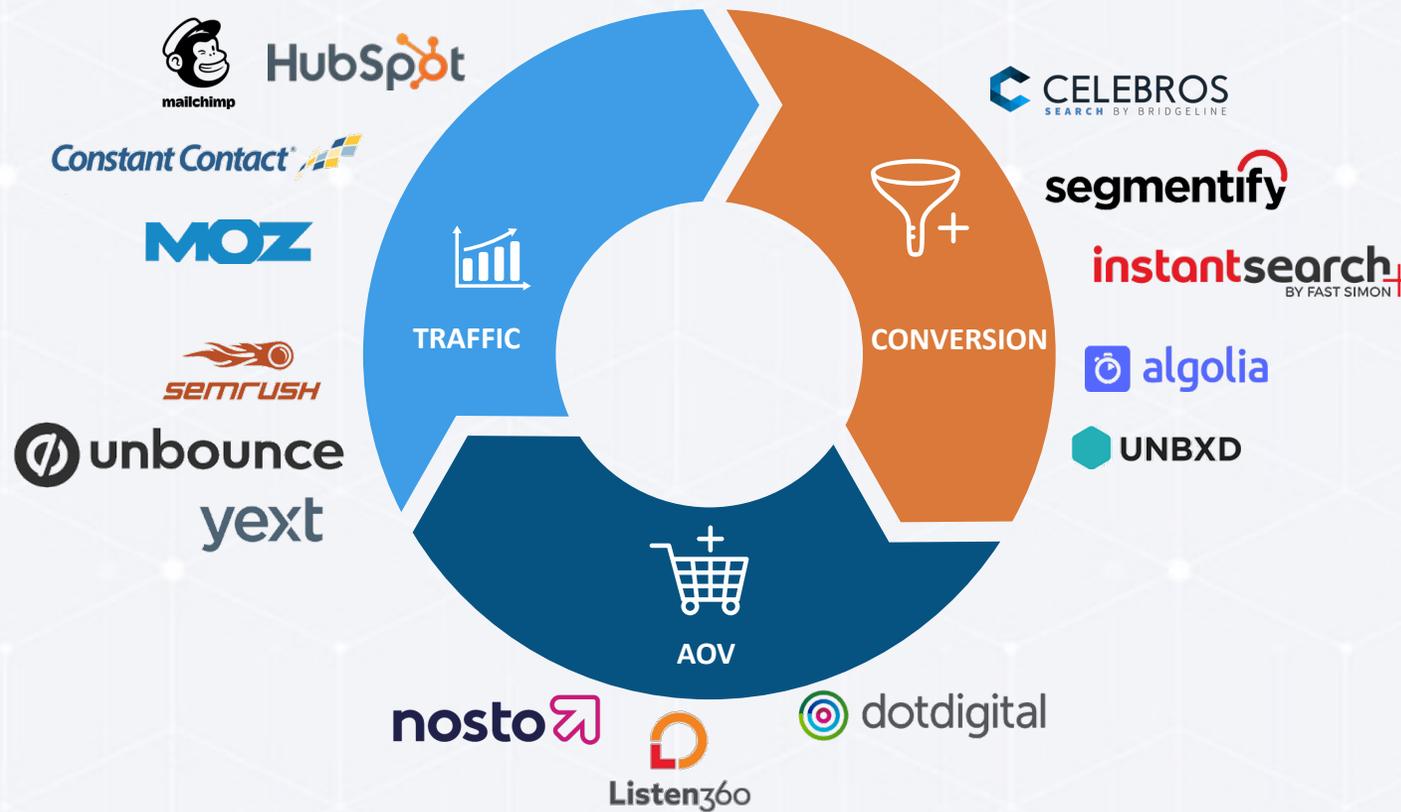
Understanding Our Customer

- VP eCommerce
- Online revenue growth is primary goal
- Must guess at apps to solve his revenue equation

Making Apps Easy to Buy

- Separate key features into à la carte apps
- Compatible with competitive platforms
- Out-of-the-box
- At-a-glance ROI
- Marketplaces

Marketplaces – Scattered Revenue360 Apps



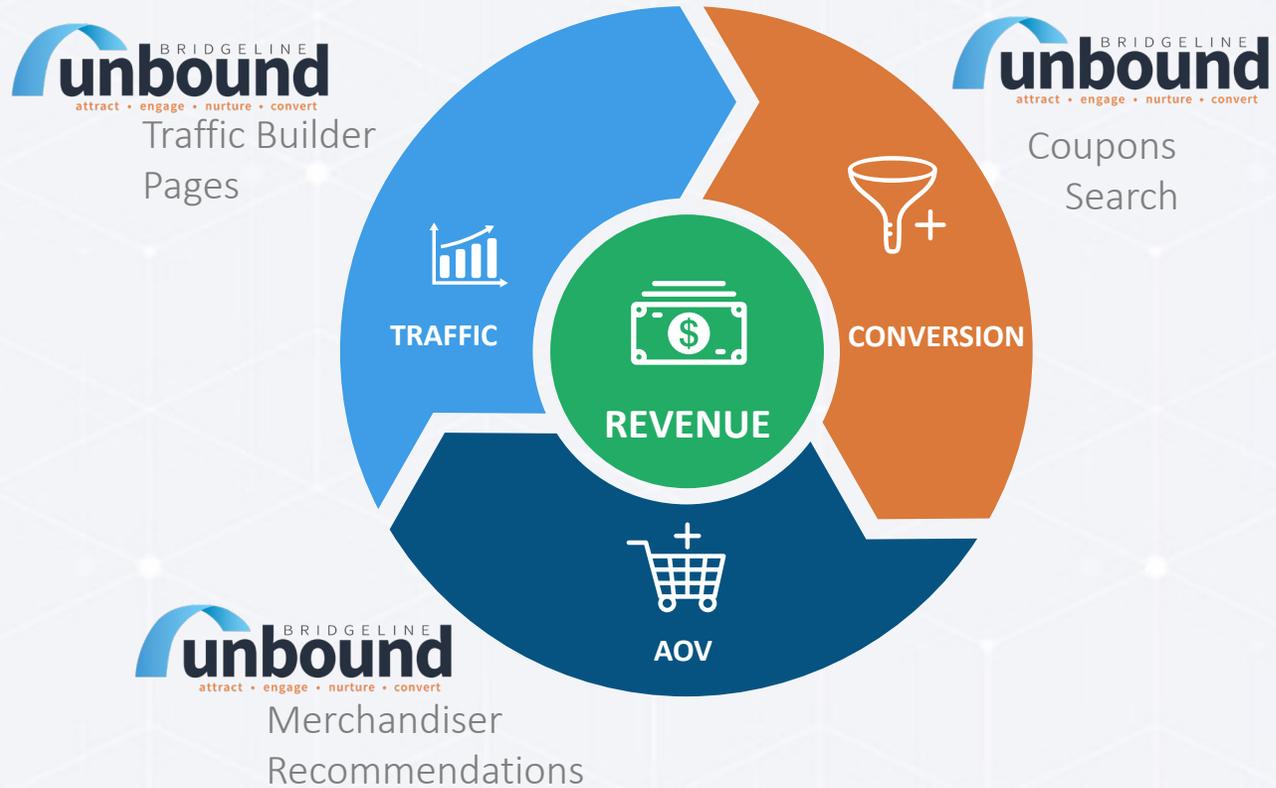
Revenue Apps Fail to Market

- One app per company
- Market by Tech Feature, not Value
- No benefit (revenue) categorization
- No growth strategy
- Apps are 'products' not 'companies'

Platform



Marketplaces – Bridgeline Connects the Dots



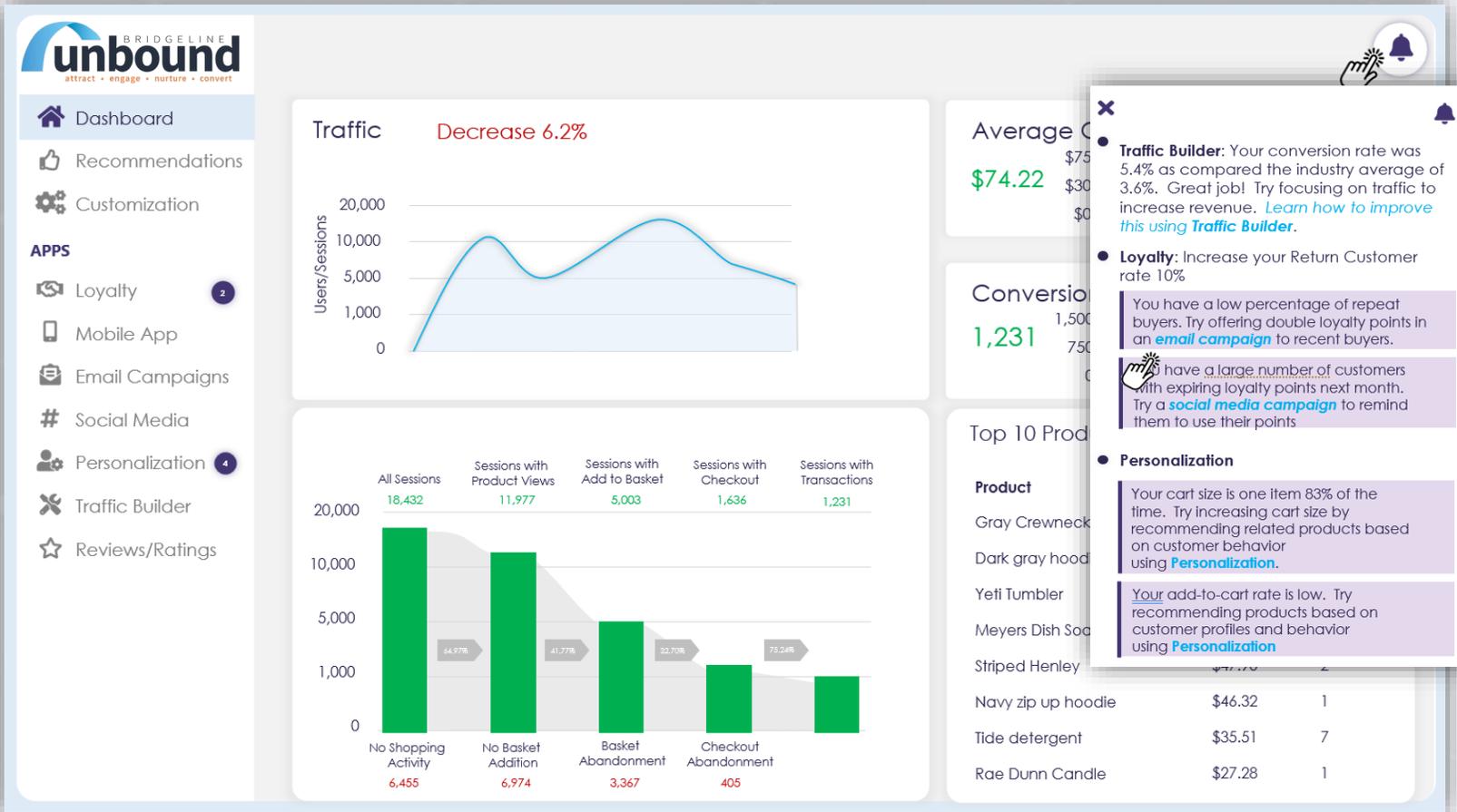
Branding and Messaging

- Land grab in marketplaces
- Feature/benefit messaging for SEO
- Messaging centered on revenue
- Freemium model
- OEM and open source accelerate

Platform



Revenue 360 – Dashboard



Cross Sale Dashboards

- Cross-sale recommendations
- At-a-glance ROI
- Freemium, OEM and Open Source for rapid dashboard distribution.

Revenue from Every Angle

- Artificial intelligence
- Trusted advisor
- Recommends what you need – this is unlike other apps that only serve one dimension of the revenue equation

Touchless Sales

Platforms – Enterprise Sales Cycle

- 6 months
- High salaried sales exec
- Travel and entertainment
- Expensive marketing, e.g. conferences
- \$2M Booking Quota per Rep = 5 sales / year
 - \$1M services over 6 months
 - \$1M subscription over 36 months = \$28K MRR

Apps – Touchless Sales Cycle

- 3 weeks
- Less expensive inside sales rep
- No travel
- Marketplaces and online adds
- \$1M Booking Quota per Rep = 6 sales / month
 - \$0M services
 - \$1M subscription over 24 months = \$42K MRR



Sources:

- www.forentrepreneurs.com/sales-complexity

Revenue 360 – Acquisition Strategy



Recent Acquisitions



M&A Market

- Apps are “products” and not “companies”
- Target rich environment

Target Criteria

- App in marketplaces
- Revenue360
- \$2M - \$5M revenue
- Accretive bottom line

Integration

- Wrap Rev360 dashboard around UI
- Analytics for AI recommendation

Cross Sales

- Dashboard
- Touchless sales team

Sources:
• www.chiefmartec.com/2020/04/marketing-technology-landscape-2020-martech-5000

BRIDGELINE

D I G I T A L

Financials

Income Statement

	Q1 FY20	Q2 FY20	Q3 FY20	Guidance Q4 FY20
Revenue				
Services	1,096	899	714	
Subscription & License	1,736	1,840	1,919	GROWTH
Revenue	2,832	2,738	2,633	
Cost of Goods Sold	1,359	1,185	1,079	
Gross profit	1,473	1,554	1,554	GROWTH
Svc GM	48%	48%	45%	
Subscription GM	54%	61%	64%	GROWTH
Gross Margin	52%	57%	59%	GROWTH
Operating Expenses				
S&M	1,032	786	313	
G&A	750	723	464	
R&D	390	427	401	
Other OpEx	263	616	225	
Operating Expenses	2,434	2,550	1,403	
Operating Income	(961)	(997)	151	POSITIVE
Other Expenses / Warrants	1,104	1,819	(1,840)	
Net Income	136	823	(1,700)	WARRANTS
Adjusted EBITDA	(664)	(329)	434	POSITIVE

Q3 FY20 Results

- 22% subscription & license growth
- 73% of revenue is subscription & lic
- Services revenue decline due to apps
- Gross Profit growth due to apps
- Positive Op Income and Adj. EBITDA
- Net Income has non-cash fluctuations in Other Expenses from Warrants

Q4 FY20 Guidance

- Positive Op Income and Adj. EBITDA
- Subscription revenue growth
- Gross margin growth

Balance Sheet

	Q1 FY20	Q2 FY20	Q3 FY20	Guidance Q4 FY20
Assets				
Current assets				
Cash and cash equivalents	408	234	1,165	
Other current assets	1,511	1,202	-	
Current assets	1,919	1,437	-	
Property and equipment, net	745	652	577	
Intangible assets, net	3,269	3,040	2,831	
Goodwill	5,557	5,557	5,557	
Other assets	83	102	83	
Assets	11,572	10,787	9,048	
Liabilities				
Current liabilities				
Accounts payable	1,909	2,235	1,869	
Accrued liabilities	1,145	1,316	588	
Debt, current portion	-	-	562	FORGIVEN
Deferred revenue	1,963	1,739	1,779	
Current liabilities	5,016	5,290	4,798	
Debt, net of current portion	-	-	582	FORGIVEN
Other long term liabilities	2,671	827	2,670	
Liabilities	7,687	6,117	8,050	
Equity	3,885	4,670	998	
Liabilities and Equity	11,572	10,787	9,048	

Assets

- \$931K Cash Increase
- \$75K A/R Decrease

Liabilities

- Only debt is PPP loan
- \$366K A/P Decrease
- \$40K Deferred Revenue Increase
- Q4 deferred revenue drops with cash

Equity

- No more dividends for preferred stock

PPP Loan

- \$1,048K PPP loan
- PPP Loan expected to be forgiven
- Forgiven PPP loan = \$0.23 / share

Cap Table

<u>Jun 30, 2020</u>	<u>as converted to common</u>
Common Stock	4,420,170
Preferred Series A	-
Preferred Series C	38,889
Warrants	5,492,879
Employee Stock Options	593,201
TOTAL	10,545,139

Preferred Stock

- Dividend producing preferred converted
- Series A – all converted at \$1.75
- Series C – no rights, no dividends

Warrants

- Exercise Price ~ \$4.00
- Cash warrants to add \$22M
- Half expire March 2021
- Half expire Sept 2024

Comps

Name	Ticker	Revenue	EBITDA	Enterprise Val	EV / Rev
Bango	BGO.L	\$9M	(\$1M)	\$106M	11X
Izea Worldwide	IZEA	\$19M	(\$5M)	\$56M	3x
SharpSpring	SHSP	\$23M	(\$9.25M)	\$120M	5x
Elastic N.V.	ESTC	\$428M	(\$158M)	\$9,370M	22X
HubSpot	HUBS	\$675M	\$1M	\$13,170M	17x
Box Software	BOX	\$696M	(\$81.18M)	\$3,160M	4x
Wix	WIX	\$761M	(\$63.5M)	\$15,930M	19x
Shopfy	SHOP	\$1,578M	(\$105M)	\$127,060M	61x
Bridgeline	BLIN	\$10M	\$2M	\$9M	1x

Industry trading over 3x revenue
BLIN can trade at \$6

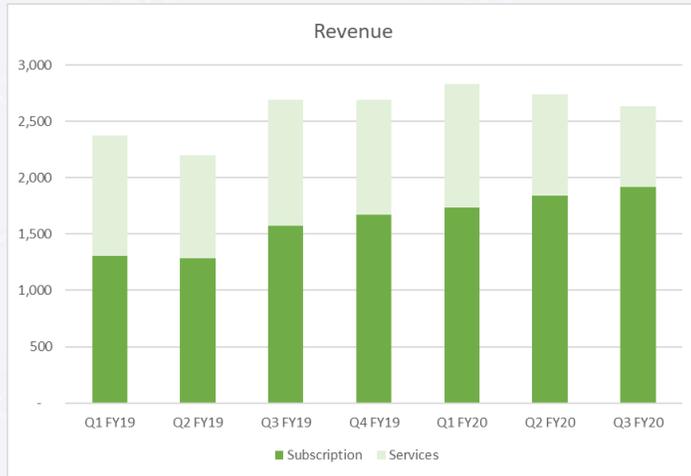
- Profitable
- Growing subscription revenue
- Only debt is \$1M PPP loan; to be forgiven
- High average daily volume
- Trading at discount to comps
- No capital required

BRIDGELINE

DIGITAL

Q&A

Investment Highlights



7 consecutive quarters of subscription revenue growth



More sales in Q3 than Q1 & Q2 combined
More sales in Q4 than Q3

Name	Ticker	Revenue	EBITDA	Enterprise Value	EV / Rev
Bango	BGO.L	\$9M	(\$1M)	\$106M	11X
Izea Worldwide	IZEA	\$19M	(\$5M)	\$56M	3x
SharpSpring	SHSP	\$23M	(\$9.25M)	\$120M	5x
Elastic N.V.	ESTC	\$428M	(\$158M)	\$9,370M	22X
HubSpot	HUBS	\$675M	\$1M	\$13,170M	17x
Box Software	BOX	\$696M	(\$81.18M)	\$3,160M	4x
Wix	WIX	\$761M	(\$63.5M)	\$15,930M	19x
Shopfy	SHOP	\$1,578M	(\$105M)	\$127,060M	61x
Bridgeline	BLIN	\$10M	\$2M	\$9M	1x

Profitable software company
Trades at 1x revenue | Comps at 3x revenue

Company

- Cloud software in Marketing Technology
- Help online retailers grow revenue
- Touchless sales model

Q3 FY20 Results *(fiscal year ends sept 30)*

- 22% subscription revenue growth
- Positive operating income & Adj EBITDA
- Q3 sales beat Q1 and Q2 combined
- No debt except \$1M PPP loan
- No preferred stock dividends

Q4 FY20 Guidance

- Growth in subscription revenue
- Positive operating income & Adj EBITDA
- Q4 sales beat Q3
- PPP loan to be forgiven - \$0.23/share

* Q4 FY20 sales through August 31, 2020