



# Q2 2024 Results



**Gleb Budman**  
Co-founder,  
CEO and Chair



**Frank Patchel**  
CFO

August 8, 2024

# Important Information About This Presentation

## Cautionary Note Regarding Forward-Looking Statements

This presentation contains forward-looking statements, which involve risks and uncertainties. These forward-looking statements are generally identified by the use of forward-looking terminology, including the terms “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “likely,” “may,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would” and, in each case, their negative or other various or comparable terminology. All statements other than statements of historical facts contained in this presentation, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, planned investments and initiatives, prospects, plans, objectives of management and general economic trends and trends in the industry and markets are forward-looking statements. The forward-looking statements are contained principally in the sections entitled. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results to be materially different from any future results expressed or implied by the forward-looking statements. These forward-looking statements reflect our views with respect to future events as of the date of this presentation and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this presentation.

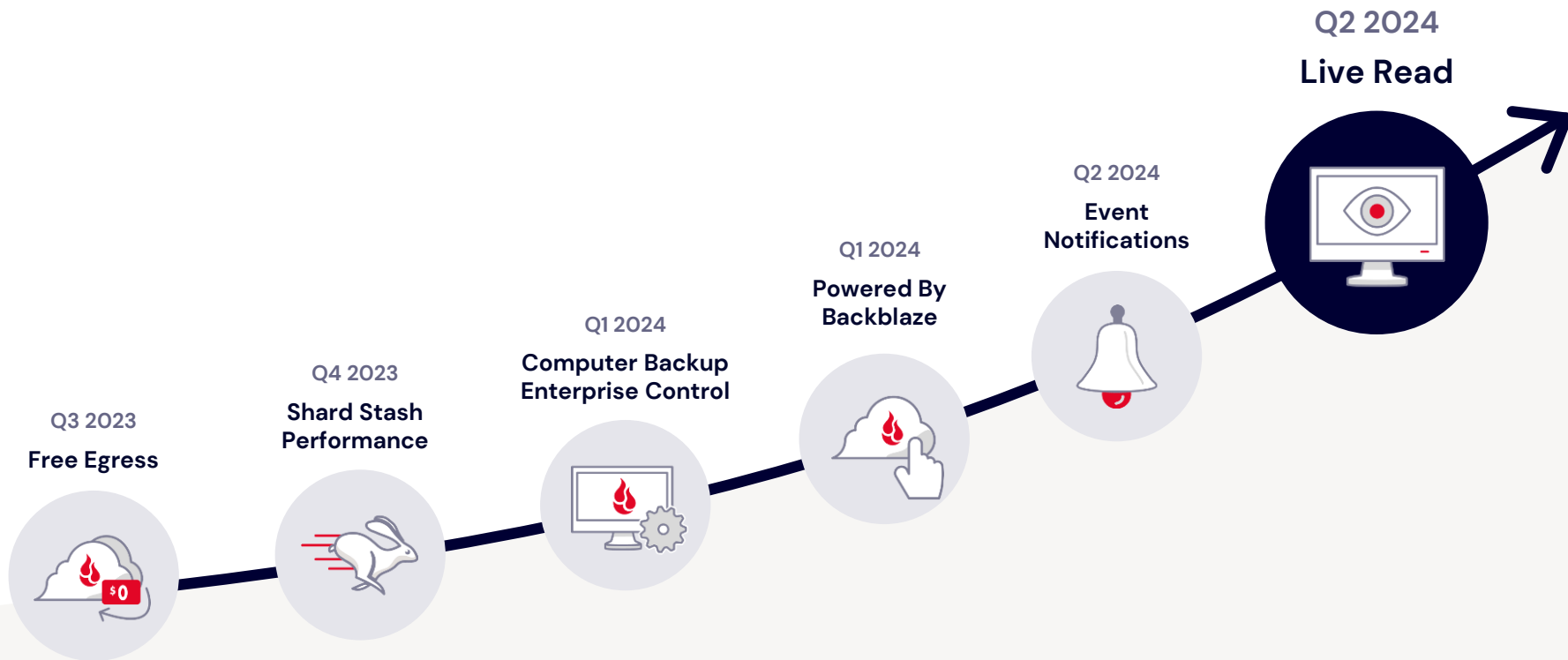
## Non-GAAP Financial Measures

To supplement the financial measures prepared in accordance with generally accepted accounting principles (GAAP), we use non-GAAP Adjusted Gross Margin and Adjusted EBITDA Margin. These non-GAAP financial measures exclude certain items and are not prepared in accordance with GAAP; therefore, the information is not necessarily comparable to other companies and should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP. We present these non-GAAP measures because management believes they are a useful measure of the Company’s performance and provides an additional basis for assessing our operating results. Please see the Appendix attached to this presentation for a reconciliation of non-GAAP Adjusted Gross Margin, non-GAAP Net Income, Adjusted EBITDA Margin and non-GAAP Operating Expenses to the most directly comparable GAAP financial measures.

# Key Highlights

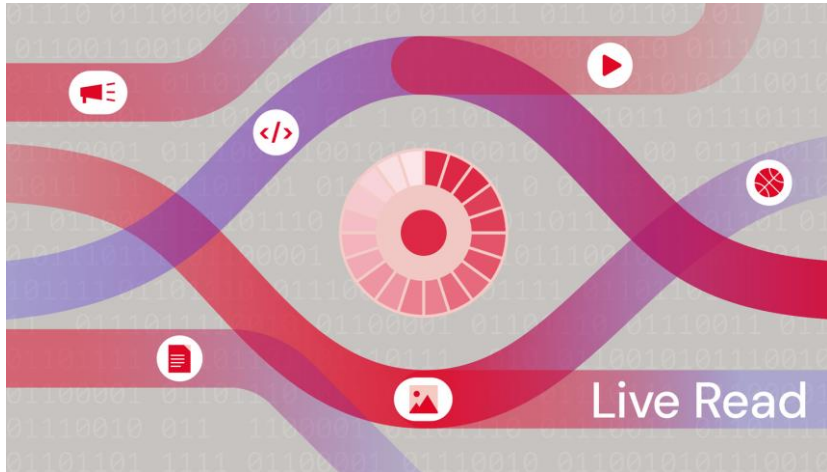
1. Innovation Driving Customer Value
2. Executive Team to Lead the Next Phase of Growth
3. Up-market Momentum

# Innovation Driving Customer Value



# Live Read

A patent-pending cloud service to access and edit content while it is being uploaded into B2 Cloud Storage



“

**For our customers, turnaround time is essential, and Live Read promises to speed up workflows and operations for producers across the industry,”**

**Richard Andes**  
VP, Product Management at Telestream



Welcome

# Jason Wakeam

## Chief Revenue Officer

- Decades of experience building and leading sales teams
- Proven track record of driving growth and innovation
- Experience at HP, Microsoft, Cloudera and SnapLogic

# Up-market Momentum

**+55%**  
year over year

Number of  
Customers  
Contributing over  
\$50k in ARR

NOTES: Comparison is shown as of June 30, 2024 compared to June 30, 2023, and is based on unaudited financial data. See appendix for definition of ARR (Annual Recurring Revenue).

# 3D Landscape Rendering AI Company

- Migrating from AWS and Azure
- Easy access to desired GPU clouds
- Saving over \$300,000 a year





# Photo Storage and Sharing Application Developer

- Replacing AWS
- Simple and transparent pricing
- Enabling improved product



Customer Story

# NFL Team

- Replacing AWS and third party storage provider
- Unifying storage architecture
- Removing expensive egress fees





Welcome

# Marc Suidan, MBA, CPA

## Incoming CFO

- Over 20 years experience as a public company CFO, senior partner, and strategic advisor
- Advised companies including hyperscalers, SaaS and storage firms
- Experience at BODi, PricewaterhouseCoopers, McKinsey

# Key Highlights

1. Innovation Driving Customer Value
2. Executive Team to Lead the Next Phase of Growth
3. Up-market Momentum

# Q2 2024 Financial Overview



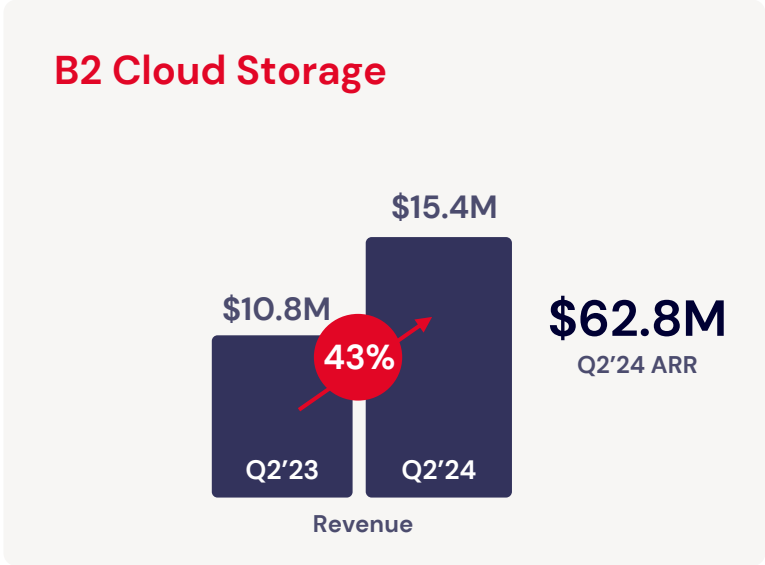
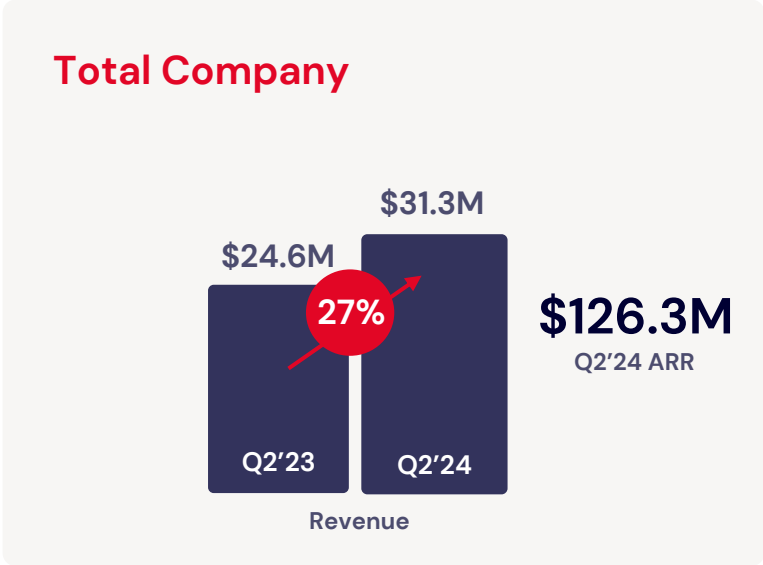
**Frank Patchel**  
CFO

# Key Financial Highlights

1. Beat on Q2 2024 revenue and adjusted EBITDA guidance
2. Record gross margins in Q2 2024
3. Raising full year revenue and adjusted EBITDA guidance

# Strong Q2 2024 Revenue Growth

## Total Company +27%, B2 Cloud Storage +43%



NOTES: Financial data is shown for the quarters ending June 30, 2023 and 2024, and are based on unaudited financial data. For the periods presented, Physical Media revenue has been consolidated into B2 Cloud Storage or Computer Backup revenue based on the underlying offering from which it originates; previously Physical Media revenue was disclosed separately. See appendix for definition of ARR (Annual Recurring Revenue).

# Financial and Operational Q2 Highlights

	Revenue (\$M)	Y/Y Growth	NRR	Gross Customer Retention
B2 Cloud Storage	\$15.4	43%	126%	89%
Computer Backup	\$15.9	15%	105%	90%
<b>Total Company</b>	<b>\$31.3</b>	<b>27%</b>	<b>114%</b>	<b>90%</b>

NOTES: All financial information is as of June 30, 2024, with year-over-year revenue comparisons to the same period as of June 30, 2023, and are based on unaudited financial information. For the periods presented, Physical Media revenue has been consolidated into B2 Cloud Storage or Computer Backup revenue based on the underlying offering from which it originates; previously Physical Media revenue was disclosed separately. NRR (Net Revenue Retention) and Gross Customer Retention are defined in the appendix.



# Q3'24 and 2024 Outlook Ranges



## Revenue (\$M)

**Q3'24**

**\$ 32.4 to \$32.8**

**Raising  
FY 2024**

**\$126.5 to \$128.5**



## Adj. EBITDA Margin

**Q3'24**

**9% to 11%**

**Raising  
FY 2024**

**9% to 11%**

NOTES: The above financial information guidance for Q3 of 2024 and fiscal year 2024 are forward-looking statements. These forward-looking statements reflect our views with respect to future events as of the date of this presentation and are based on assumptions and subject to risks and uncertainties, and actual results may differ materially. A reconciliation of non-generally accepted accounting principles (GAAP) guidance measures to corresponding GAAP measures for Adjusted EBITDA Margin is not available on a forward-looking basis without unreasonable effort due to the uncertainty regarding, and the potential variability of expenses and other factors in the future.



**We make it astonishingly easy  
to store, use, and protect data.**

# Q&A

# Institutional Investor Events

- August 13: Oppenheimer Technology, Internet & Communications Conference
- September 12: Lake Street BIG8 Investor Conference

# Thank You!

# Definitions

- “**ARR**” means Annual Recurring Revenue and is based on the monthly revenue from all B2 Cloud Storage and Computer Backup arrangements (excluding revenue for Physical Media) for the last month of a period and multiplying it by 12. Our annual recurring revenue for each of Computer Backup and B2 Cloud Storage is calculated in the same manner as our overall annual recurring revenue based on the revenue from our Computer Backup and B2 Cloud Storage solutions, respectively.
- “**Gross Customer Retention**” is used to measure our ability to retain our customers and is based on the trailing four-quarter average of the percentage of cohort of customers who were active at the end of the quarter in the prior year that are still active at the end of the current quarter. We calculate our gross customer retention rate for a quarter by dividing (i) the number of accounts that generated revenue in the last month of the current quarter that also generated recurring revenue during the last month of the corresponding quarter in the prior year, by (ii) the number of accounts that generated recurring revenue during the last month of the corresponding quarter in the prior year.
- “**NRR**” means Net Revenue Retention and is based on a trailing four-quarter average of the recurring revenue from a cohort of customers in a quarter as compared to the same period in the prior year. Our net revenue retention rate for each of Computer Backup and B2 Cloud Storage is calculated in the same manner as our overall net revenue retention rate based on the revenue from our Computer Backup and B2 Cloud Storage solutions, respectively.
- “**Customer**” means a customer at the end of any period as a distinct end user, as identified by a unique account identifier, which makes up substantially all of our user base. In Q4 2023, we refined our customer definition to include end-user customers that purchase through a reseller. This resulted in no impact to previously reported metrics other than a 1% decrease to the 120% NRR metric reported for Q3 2023.

# Definitions

- **Adjusted EBITDA** is defined as net loss excluding depreciation and amortization, stock-based compensation, interest expense, income tax provision, unrealized loss on SAFE and gain on extinguishment of debt. We use adjusted EBITDA to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that adjusted EBITDA, when taken together with our GAAP financial results, provides meaningful supplemental information regarding our operating performance by excluding certain items that may not be indicative of our business, results of operations, or outlook. We consider adjusted EBITDA to be an important measure because it helps illustrate underlying trends in our business and our historical operating performance on a more consistent basis.
- **Non-GAAP Net Income (Loss)** We define non-GAAP net income (loss) as net income adjusted to exclude stock-based compensation and other items we deem non-recurring. We believe that non-GAAP net income (loss), when taken together with our GAAP financial results, provides meaningful supplemental information regarding our operating performance by excluding certain items that may not be indicative of our business, results of operations, or outlook.
- **Adjusted Gross Profit (and Margin)** We define adjusted gross margin as gross profit, exclusive of stock-based compensation expense, depreciation expense of our property and equipment, and amortization expense of capitalized internal-use software included within cost of revenue, as a percentage of adjusted gross profit to revenue. We exclude stock-based compensation, which is a non-cash item, because we do not consider it indicative of our core operating performance. We exclude depreciation expense of our property and equipment and amortization expense of capitalized internal-use software, because these may not reflect current or future cash spending levels to support our business. We believe adjusted gross margin provides consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as this metric eliminates the effects of depreciation and amortization

# Reconciliation of Non-GAAP Measures: Gross Margin

Adjusted Gross Profit	Q2'24	Q2'23
<b>Gross Profit</b>	\$17.229	\$12.051
Gross Margin	55%	49%
<b>Adjustments for Cost of Revenue:</b>		
Stock Based Compensation	0.354	0.387
Depreciation and Amortization	6.879	5.985
<b>Adjusted Gross Profit</b>	\$24.462	\$18.423
Adjusted Gross Margin	78%	75%

Dollars in Millions



# Reconciliation of Non-GAAP Measures: Net Income

	Q2'24	Q2'23
<b>Net Loss</b>	\$(10.348)	\$(14.337)
Net Loss Margin	-33%	-58%
<b>Adjustments:</b>		
Total Stock Based Compensation	5.528	4.884
Workforce reduction and related severance charges	—	1.147
<b>Non-GAAP Net Income (Loss)</b>	\$(4.820)	\$(8.306)
Non-GAAP Net Income Margin	-15%	-34%
Non-GAAP Diluted Shares	42.152	35.149
<b>Non-GAAP Net Loss per Diluted Share</b>	\$(0.11)	\$(0.24)

Dollars and Shares in Millions

# Reconciliation of Non-GAAP Measures: Adjusted EBITDA

	Q2'24	Q2'23
<b>Net Loss</b>	\$(10.348)	\$(14.337)
Net Loss Margin	-33%	-58%
<b>Adjustments:</b>		
Total Depreciation & Amortization	7.025	6.131
Total Stock Based Compensation	5.528	4.884
Interest expense and investment income	0.539	0.423
Workforce reduction and related severance charges	—	1.147
<b>Adjusted EBITDA</b>	\$2.744	\$(1.752)
Adjusted EBITDA Margin	9%	-7%

Dollars in Millions