



Q1 2022 Results



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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 in the business, 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 and Adjusted EBITDA Margin to the most directly comparable GAAP financial measures.

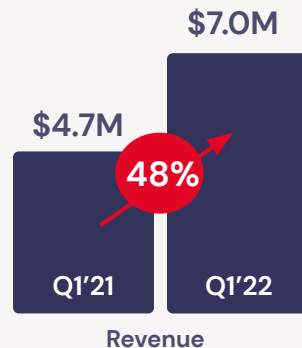
Strong Q1 Y/Y Growth: Revenue +27%, B2 Cloud Storage +48%

Total Revenue



\$79M
Q1'22 ARR

B2 Cloud Storage



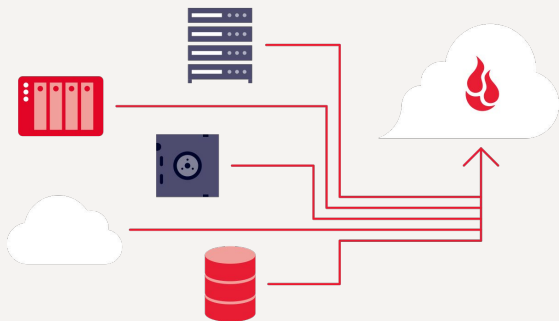
\$28M
Q1'22 ARR

NOTES: Financial data is shown for the quarters ending March 31, 2021 and 2022, and is based on unaudited financial data. See appendix for definition of ARR (annual recurring revenue).

Platform Enhancements: Universal Data Migration

Universal Data Migration

Set of integrated services that make it easy and free for eligible customers to move data from other cloud services and on-premise storage



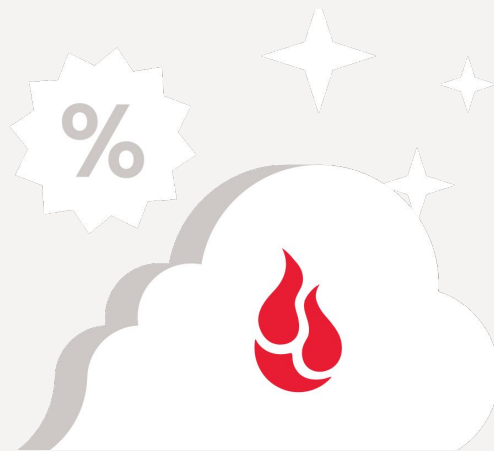
Specializes in helping businesses move their data from on-premises to the cloud while ensuring customer data is secure in transit and structured exactly as needed in the cloud

Platform Enhancements: B2 Reserve

Backblaze B2 Reserve

Set of integrated services that make it easy and free for eligible customers to move data from other cloud services and on-premises storage solutions

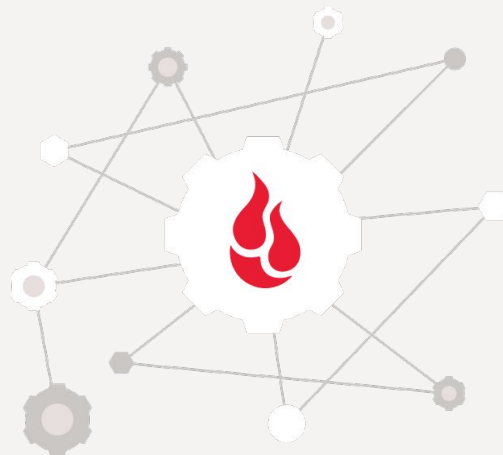
Additional Benefits: data migration support, enhanced customer support tier, and waived egress fees



Platform Enhancements: Partner API

Backblaze Partner API

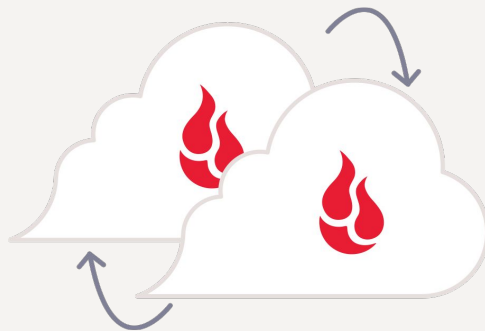
Facilitates partners' expansion of cloud services using B2 as backend infrastructure



Platform Enhancements: Cloud Replication

Cloud Replication

- Beta launch in April
- On track for general availability in June 2022
- Use cases: disaster recovery, compliance objectives, faster access



New Partnerships



Catalogic Partnership

Provides developers data protection and disaster recovery at a fraction of the cost of others.



Joint Solution w/ CTERA

Provides mid-market IT a cloud-based NAS (Network-Attached Storage) using Backblaze B2 to simplify moving on-premise data to the cloud

Customer Story: Fortune Media (USA) Corp

FORTUNE

- Media & Entertainment Customer
- 300 TB of Data for 100,000+ Hours of Video
- Uses B2 Cloud Storage to make video archive reliable and easily accessible, and to cut archiving cost by 66%



"Backblaze is so simple to use, our editors can manage the entire file transfer and archiving process themselves."

– **Jeff Billark**, Head of IT Infrastructure, Fortune Media Group

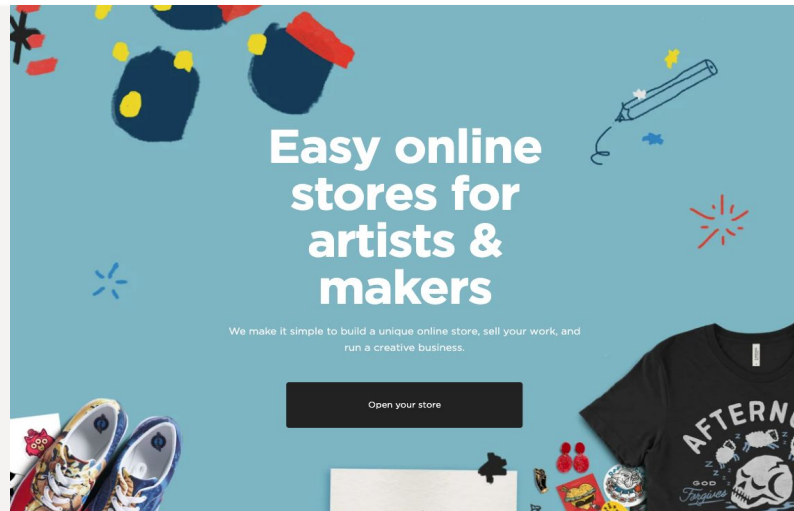
Customer Story: Big Cartel



- Developer Customer, E-commerce Platform
- Previously Amazon S3 & Fastly Customer
- Concerned With Reliability/Ethics of S3
- Moved to B2 & Fastly with S3 secondary
- Multi-cloud Saved Money and Increased Reliability While Doubling Footprint

“The number one factor is that Backblaze just works, and it always works. By that metric—the sole metric that matters to us besides cost—Backblaze has been great.”

– **Lee Jensen**, Technical Director, Big Cartel



Q1 2022 Financial Overview



Frank Patchel,
CFO

Financial and Operational Q1 Highlights

	Revenue (\$M)	Y/Y Growth	NRR	Gross Customer Retention
B2 Cloud Storage	\$7.0	48%	129%	90%
Computer Backup	\$12.3	18%	104%	91%
Total Company	\$19.5	27%	112%	91%

NOTES: Q1'22 total company revenue includes \$0.2 million in revenue from Physical Media. All financial information is as of March 31, 2022, with year-over-year revenue comparisons to the same period as of March 31, 2021, and are based on the unaudited financial information. NRR (Net Revenue Retention) and Gross Customer Retention are defined in the appendix.

Other Q1 Financial Highlights

76%

Adj. Gross Margin

-15%

Adj. EBITDA Margin

\$99M

Balance Sheet Cash
and Short Term
Investments

NOTES: All financial information is as of March 31, 2022 and is based on the unaudited financial information. Adjusted Gross Margin excludes capex depreciation, stock-based compensation and R&D amortization. R&D, S&M, G&A and Adjusted EBITDA metrics are shown on an adjusted basis excluding stock-based compensation. See appendix for reconciliation of GAAP to non-GAAP metrics.

Q2'22 and 2022 Outlook Ranges



Revenue (\$M)

Q2'22
\$20.2 to \$20.6



Adj. EBITDA Margin

Q2'22
-19% to -15%

Reaffirming

2022
\$83 to \$86

2022
-18% to -14%

NOTES: The above financial information guidance for the second quarter of fiscal year 2022 and fiscal year 2022 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

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.

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.

Additional Key Business Metrics Calculation Notes

The metrics for Net Revenue Retention Rate (NRR), Gross Customer Retention are currently calculated using only those customers paying by credit card and exclude customers paying by invoice utilizing a different system. The amounts related to the number of customers paying by invoice has historically been immaterial.

Reconciliation of Non-GAAP Measures: Gross Margin

Adjusted Gross Profit	Q1'22	Q1'21
Gross Profit	\$9.809	\$7.482
Gross Margin	50%	49%
Adjustments for Cost of Revenue:		
Stock Based Compensation	0.276	0.085
Depreciation and Amortization	4.670	3.865
Adjusted Gross Profit	\$14.755	\$11.432
Adjusted Gross Margin	76%	75%

Dollars in Millions

Reconciliation of Non-GAAP Measures: EBITDA

Adjusted EBITDA	Q1'22	Q1'21
Net Loss	\$(12,530)	\$(3,688)
Net Loss Margin	-64%	-24%
Adjustments:		
Total Depreciation & Amortization	4.863	4.010
Total Stock Based Compensation	3.835	0.908
Interest Expense	0.873	0.871
Income Tax Provision	(0.032)	
Adjusted EBITDA	\$(2.991)	\$2.101
Adjusted EBITDA Margin	-15%	14%

Dollars in Millions

Reconciliation of Non-GAAP Measures: Operating Expenses

Adjusted Operating Expenses	Q1'22	Q1'21
R&D	\$7.941	\$4.269
Adj: Stock Based Compensation	(1.555)	(0.399)
S&M	8.029	3.777
Adj: Stock Based Compensation	(1.134)	(0.189)
G&A	5.528	2.253
Adj: Stock Based Compensation	(0.870)	(0.235)
Adjusted R&D (% revenue)	33%	25%
Adjusted S&M (% revenue)	35%	23%
Adjusted G&A (% revenue)	24%	13%

Dollars in Millions

Reconciliation of Non-GAAP Measures: Net Income

	Q1'22	Q1'21
Net Loss	\$(12.530)	\$(3.688)
Net Loss Margin	-64%	-24%
Adjustments:		
Total Stock Based Compensation	3.835	0.908
Non-GAAP Net Income (Loss)	\$(8.695)	\$(2.780)
Non-GAAP Net Income Margin	-45%	-18%
Non-GAAP Diluted Shares	30.5	18.7
Non-GAAP Net Loss per Diluted Share	\$(0.28)	\$(0.15)

Dollars in Millions



Thank you.