



Backblaze

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



Gleb Budman,
Co-founder,
CEO and Chair



Frank Patchel,
CFO

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.

Blazing Our Own Path

~500,000

Paying Customers
In 175+ Countries

48% YoY

Revenue Growth for B2

129% NRR

B2 Cloud Storage

5 Co-founders

Together for Over 20 Years

\$79M ARR

>98% Recurring

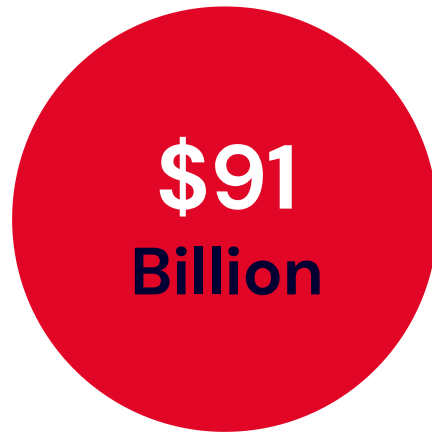
< \$3 Million

Outside Equity Investment
Through 2020

NOTES: All data is as of March 31, 2022, except as otherwise noted. See appendix for definitions of NRR (Net Revenue Retention) and ARR (Annual Recurring Revenue).
48% revenue growth and 129% NRR are calculated based solely on B2 Cloud Storage. \$79 M ARR is calculated based on the Company's total revenue.
Recurring revenue reflects the amount of the Company's revenue for a given period that is recurring in nature.

Data Drives Massive TAM

- Data grows every day
- Almost nothing is ever deleted (anymore)
- Everyone needs to store/use/protect

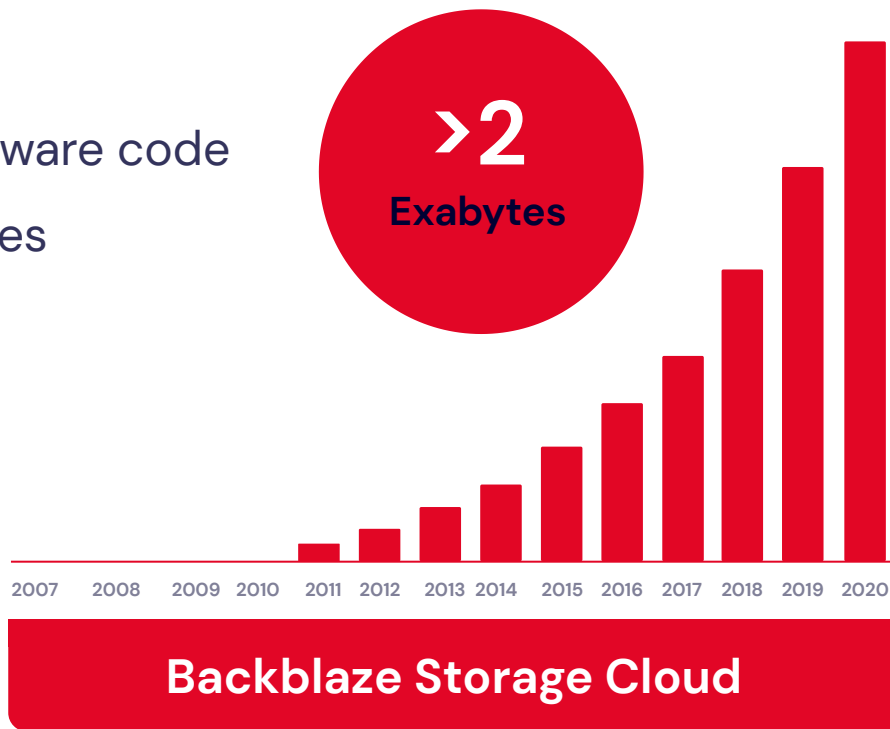


Public Cloud
Infrastructure-as-a-Service
Storage

NOTE: \$91 Billion is based on IDC Worldwide Public Cloud Infrastructure as a Service Forecast, 2020–2025; reflects 2025 forecast.

Backblaze has built a unique storage cloud

- Millions of lines of proprietary software code
- Operating over 200,000 hard drives
- Enables customers to easily store/use/protect their data



NOTES: "Backblaze Data Storage" bar chart reflects data storage under management at Backblaze.

>2 Exabytes of Backblaze data storage under management and number of hard drives is calculated as of March 31, 2022.

Leading Independent Cloud Platforms

Networking



Compute



Communication



Data Storage

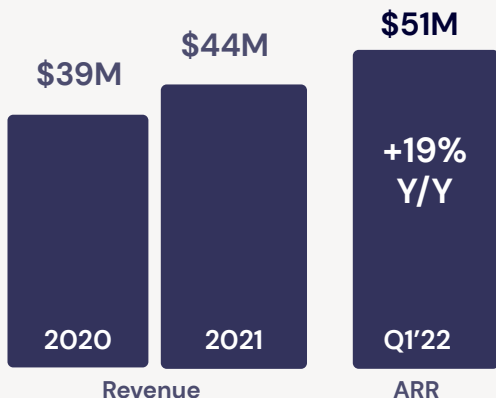


Our Cloud Services

	Computer Backup	B2 Cloud Storage
What	Unlimited Cloud Backup	On-demand Storage
Price	\$70/Year/Computer	\$0.005/GB/Month
Use	Backup / Ransomware Protection	Available for Any Use Case
Customer	For Businesses & Individuals	For Developers & IT
Backblaze Storage Cloud		

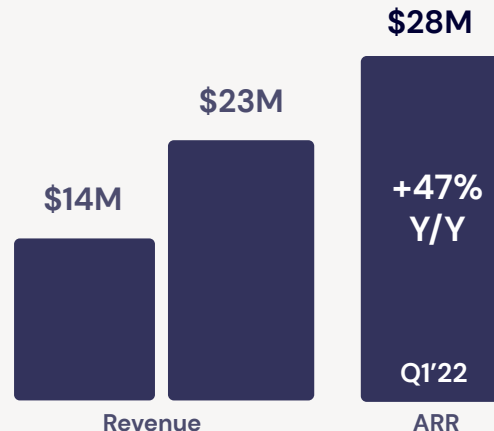
Strong Core Business + Hypergrowth “Jewel”

Computer Backup



~ 440,000 Customers (Q4'21)
~ \$110 Annual ARPU (Q4'21)
104% NRR

B2 Cloud Storage



~ 75,000 Customers (Q4'21)
~ \$350 Annual ARPU (Q4'21)
129% NRR

NOTES: Revenue is shown for the years ending December 31, 2020 and 2021. ARR growth rates are for Q1'22 compared to Q1'21. See appendix for definitions of ARR (Annualized Recurring Revenue), Annual ARPU (Annual Average Revenue Per User) and NRR (Net Revenue Retention). ARR and NRR are calculated as of March 31, 2022. Number of customers and Annual ARPU are calculated as of December 31, 2021. The number of customers for each of B2 Cloud Storage and Computer Backup include approx. 23,600 customers that use both the B2 Cloud Storage and Computer Backup solutions.

Multiple Paths Drive Growth

Computer Backup

- New customers
- Growth in subscriptions
- Upsell of EVH & Price increase

B2 Cloud Storage

- New customers
- Growth in data
- Upsell of Cloud Replication (Q2'22)
- B2 Reserve
- Partnerships

Shared Go-to-Market

NOTE: Cloud Replication feature is anticipated to be available in Q2'22.

Computer Backup → Unlimited, Better & Less Expensive

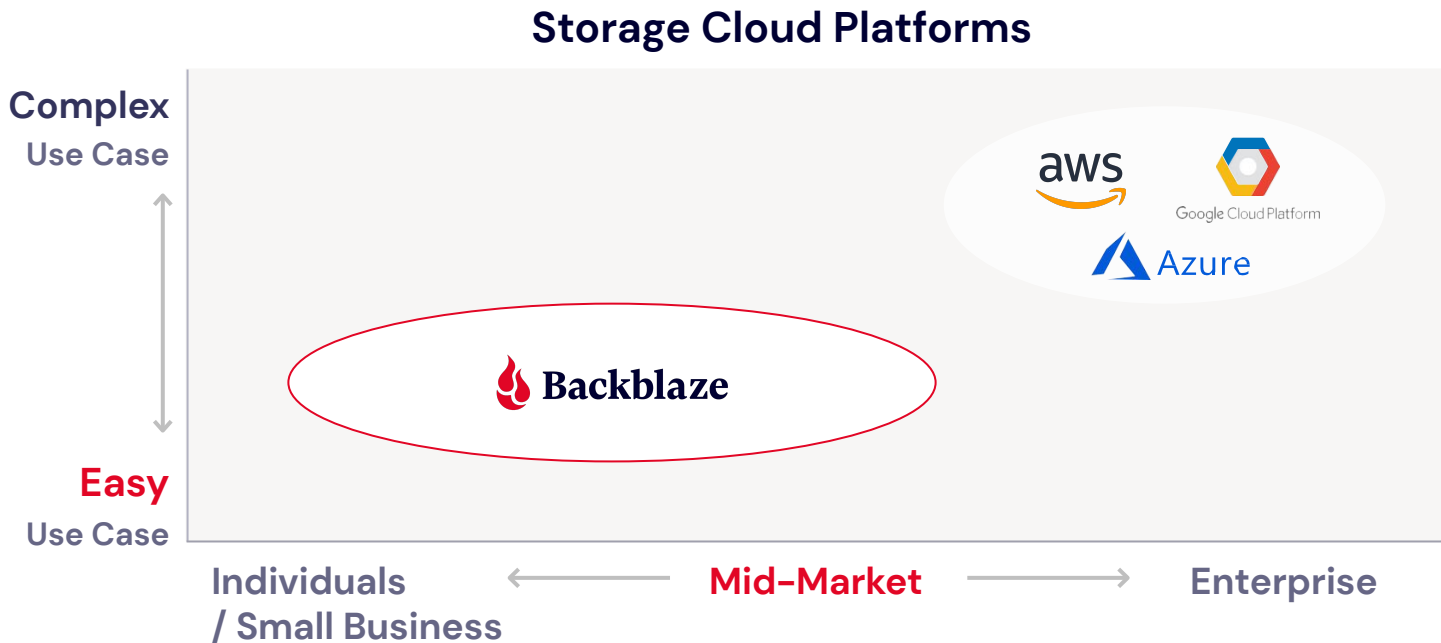
	Backblaze	Dropbox iCloud Google Drive
Price per Year	\$70 Unlimited	\$100 – \$120 2TB
Unlimited Data Backup	✓	
All Data Backed Up Automatically	✓	
Data Recovery by Mail	✓	
Private Encryption Key	✓	

“After years of testing, we think
Backblaze is the easiest to use
and the best cloud backup
service for most people.”
(Aug 2021)



NOTES: Price and feature comparison based on publicly available pricing and product information.

Backblaze B2 Fills a “Void” in the Marketplace



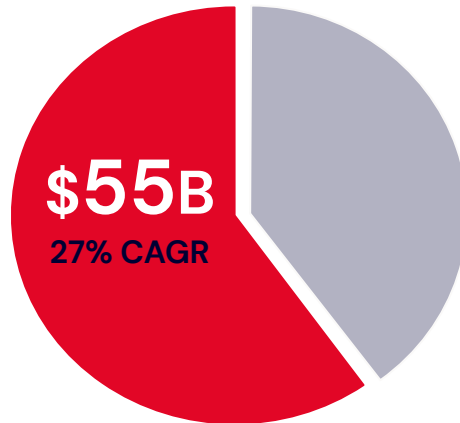
Huge, Underserved Mid-Market

60%

**Mid-market business
of IaaS spend**

Public Cloud Infrastructure-
as-a-Service Storage

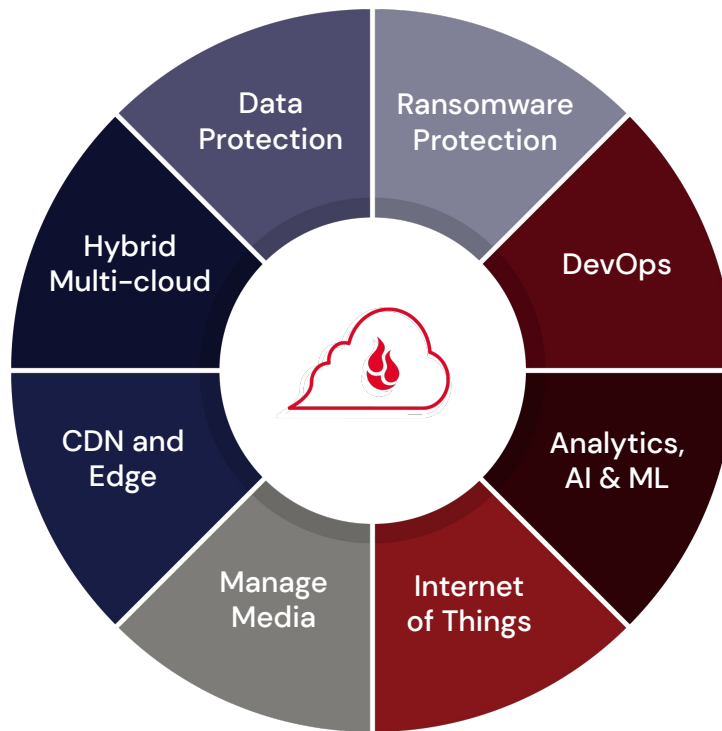
\$91B



NOTES: Mid-market defined as businesses and organizations with 10 to 999 employees. "60% spend" – Company analysis of IDC Worldwide Semiannual Public Cloud Services Spending Guide Taxonomy, 2019.

"\$91B" – IDC Worldwide Public Cloud Infrastructure as a Service Forecast, 2020–2025; reflects 2025 forecast. "55B" is calculated based on 60% spend IDC mid-market spending guide applied to Public Cloud IaaS market; reflects 2025 forecast.

B2: Wide Variety of Use Cases



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%



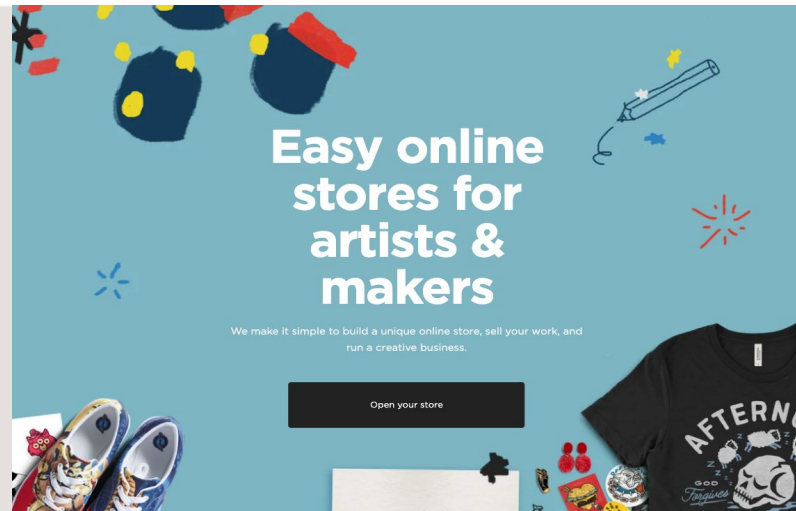
“Backblaze is so simple to use, our editors can manage the entire file transfer and archiving process themselves.”

– **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

Backblaze B2: Disrupting Storage-as-a-service



Easy

Up to 92% Time Saving

Offer only storage
Focus on mid-market needs
Build simple-to-use products



Affordable

1/5th the price

Purpose built storage cloud
Software-driven infrastructure
Scale & time expertise



Trusted

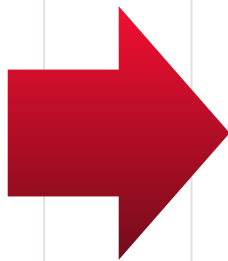
Independent Cloud

Neutral provider
No vendor lock-in
Non-competitive

NOTE: Time savings of up to 92% for managing periodic cloud operations using B2 Cloud Storage versus other third party cloud storage platforms is based on analysis of market research by Backblaze.

Customers Choose Backblaze Because

Complex
Expensive
Conflicted



Easy
Affordable
Trusted



But Amazon...

- Backblaze B2 is focused on the **void in the market**
- Matching B2 pricing we estimate would **cost Amazon billions of dollars**
- Customers increasingly **need multiple clouds**

Backblaze B2: Disrupting Storage-as-a-service

“Cloud storage needs disruption and Backblaze has delivered the goods.”

(May 2020)



“Backblaze challenges AWS”

(May 2020)



“Everything Amazon’s AWS Isn’t.”

(May 2020)



Much easier & more affordable



Your Monthly Bill with B2 for 100TB

Hot Cloud Storage

100

TB

\$500

vs

Hard



Your Monthly Bill with Amazon S3 for 100TB

\$2,534

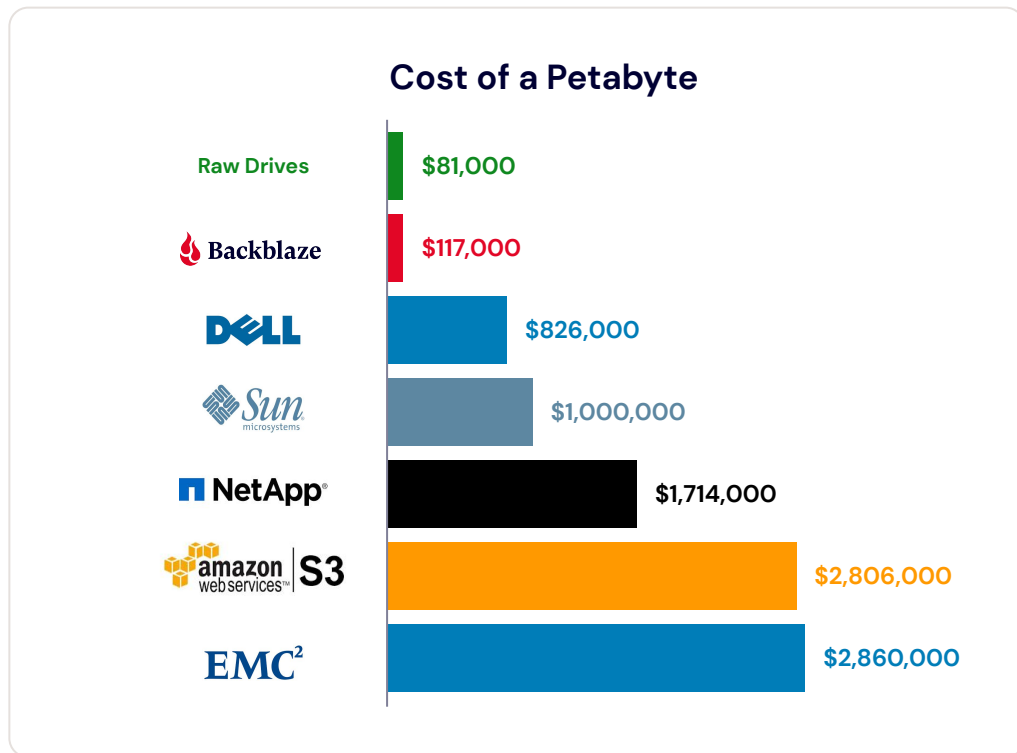
"We launched S3 as 'simple', but I'm not convinced it's simple anymore."

—Amazon CTO, Werner Vogels, to The Next Platform, April '11

NOTES: Cost and screenshot data are based on publicly available websites. Price is for 100 TB of data storage, including default support services.

Backblaze Built its Own Low-Cost Storage Cloud

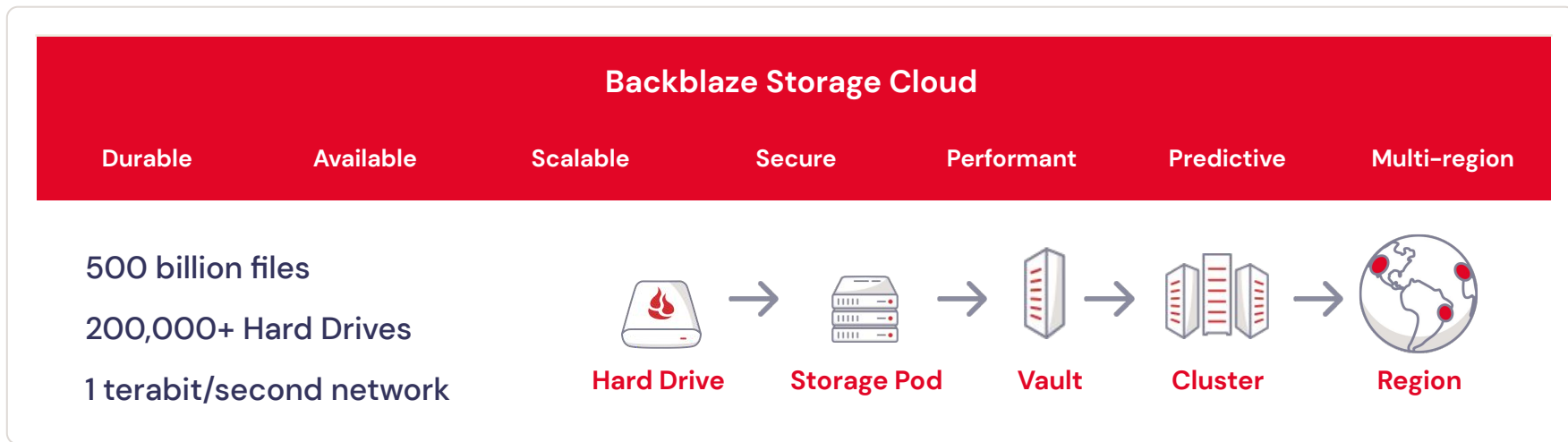
Amazon storage was too expensive (2009 prices)



NOTE: Cost estimates based on Backblaze review and internal analysis of publicly available information in 2009.

Backblaze Software Architecture

Purpose-built cloud file system drives global infrastructure

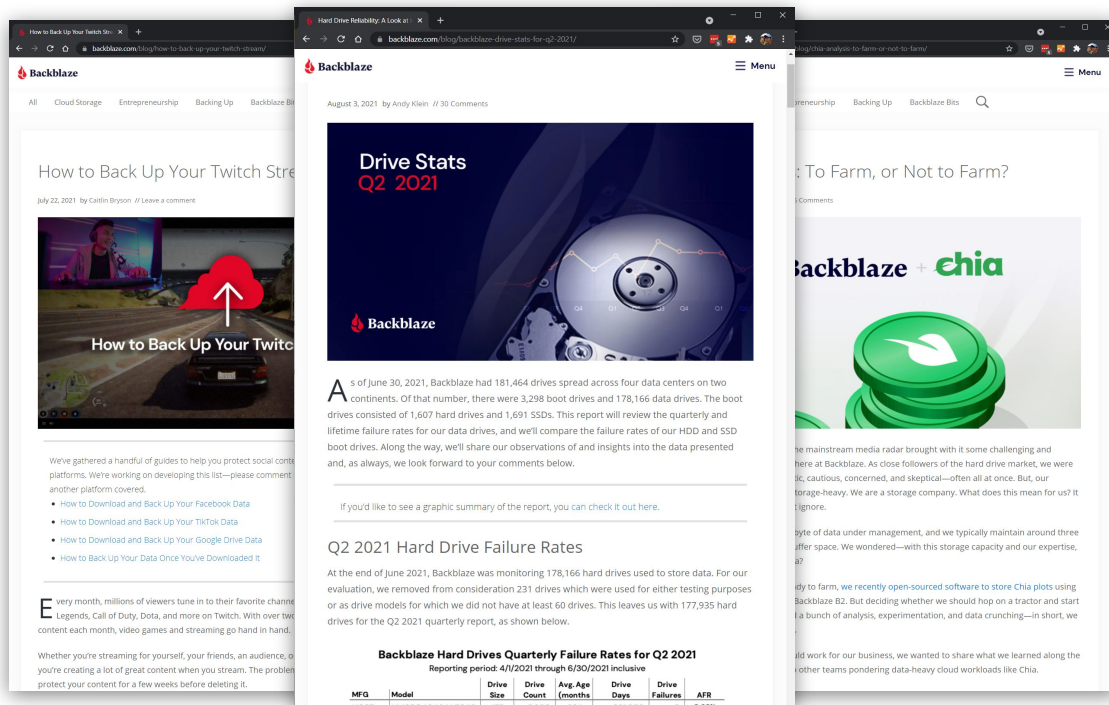


NOTE: Number of hard drives and files as of March 31, 2022.

Content and Community Drives Go-to-Market Efficiency

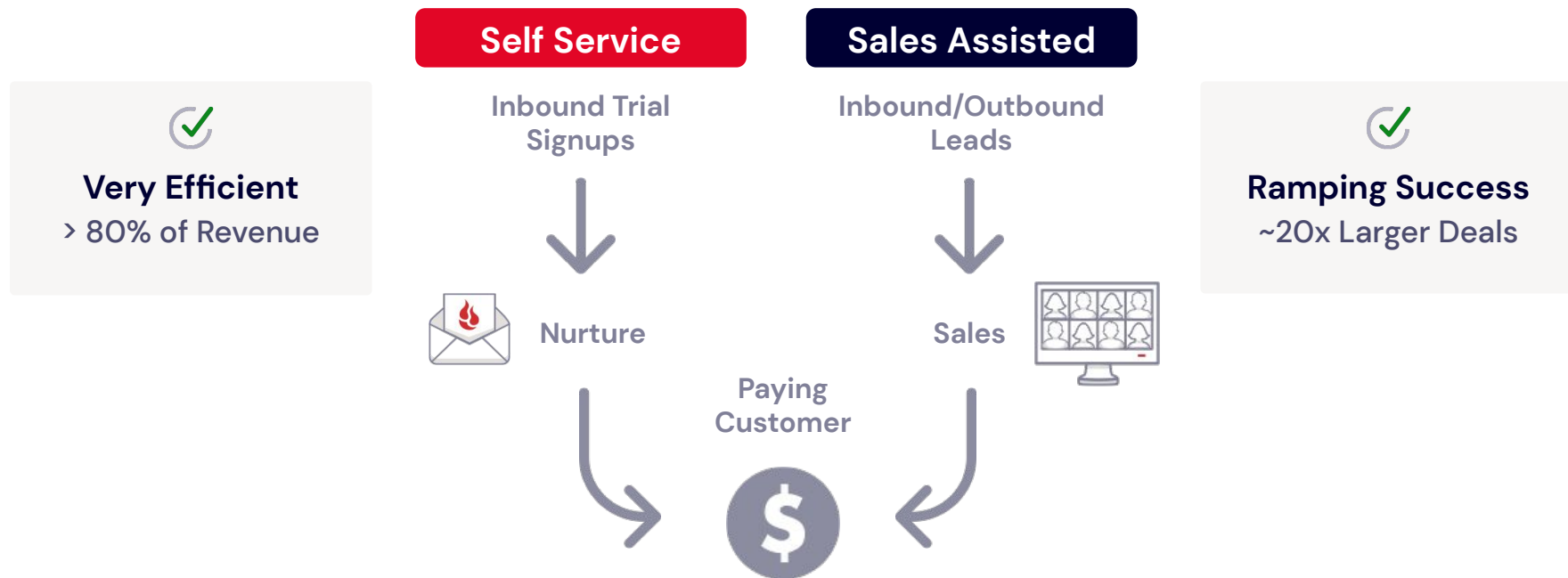


3 Million+
Blog readers



NOTE: 3 Million+ reflects blog readers in 2020 alone.

2 Selling Motions



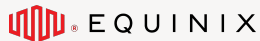
NOTE: ">80% of Revenue" reflects the percent of revenue attributable to Self Service customers compared to the Company's overall revenue for the year ended December 31, 2021. "~20x Larger Deals" is based on the average revenue per customer of Sales Assisted customers compared to Self Service customers for the year ended December 31, 2021.

Powerful Partnerships...a Few Examples

Developer Partners



fastly



Cloud platforms that jointly enable developers to build applications

Growth Paths

More customers

More data

More cloud

Alliance Partners

veeam

Synology



Software deployed by IT that sends data to Backblaze B2

Experienced Team, Highly Energetic Culture



★★★★★ 4.7 of 5

94% Recommend to a friend

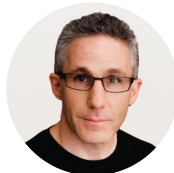
94% Approve of CEO



Gleb Budman
Co-founder,
CEO & Chair



Brian Wilson
Co-founder,
CTO



Tim Nufire
Co-founder,
Chief Cloud Officer



Casey Jones
Co-founder,
VP of Design



Billy Ng
Co-founder,
Full Stack Architect



Frank Patchel
CFO



Tom MacMitchell
General Counsel &
CCO



Nilay Patel
VP of Sales and
Partnerships



Tina Cessna
SVP of Engineering



Mark Potter
Chief Information
Security Officer



Natalie Cook
Vice President,
HR & Recruiting

SONICWALL™

veeva

Adobe



NOTE: Glassdoor ratings as of May 18, 2022.

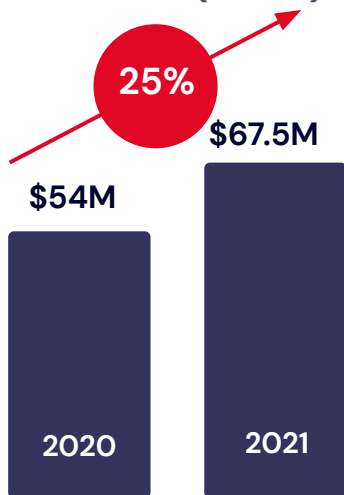
Financial Overview



Frank Patchel,
CFO

Financial Profile

Revenue (GAAP)



Key Metrics (Non-GAAP) (Q1 2022)

ARR

\$79M

ARR Growth

28% YoY

Net Revenue Retention

112%

Recurring Revenue

>98%

Adjusted Gross Margin

76%

Adjusted EBITDA Margin

-15%

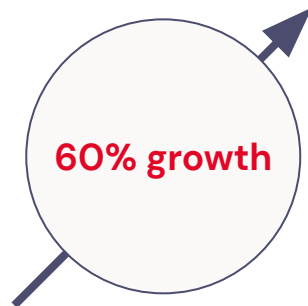
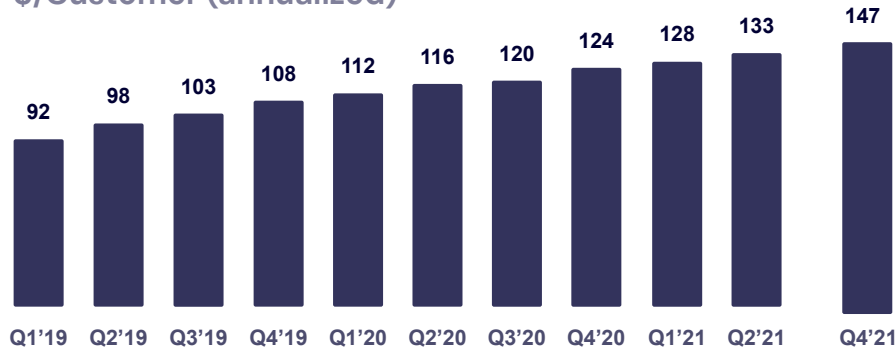
Cash and Short Term Investments

\$99M

NOTES: Revenue (GAAP) is shown for the years ending December 31, 2020 and 2021. Key metrics (non-GAAP) are calculated as of March 31, 2022. See appendix for definitions of ARR (Annualized Recurring Revenue) and Net Revenue Retention. Recurring revenue reflects the amount of the Company's overall revenue for a given period that is recurring in nature. Adjusted Gross Margin excludes capex depreciation, stock-based compensation and R&D amortization. Adjusted EBITDA Margin excludes stock-based compensation. See appendix for reconciliation of GAAP to non-GAAP metrics.

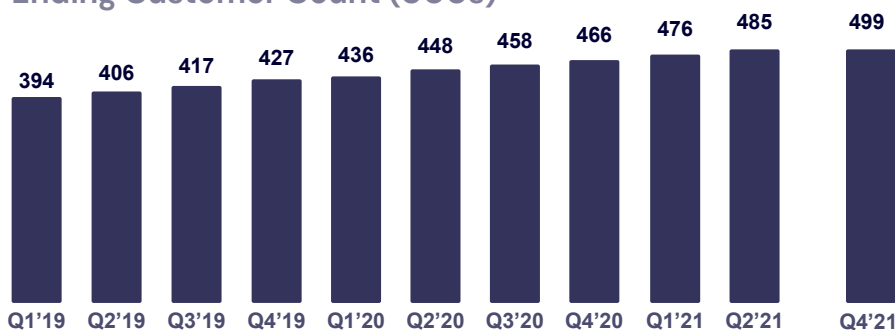
Steady Growth

\$/Customer (annualized)



Growth in data & subscriptions
Upsells & cross-sells
Price increase

Ending Customer Count (000s)



Strong brand & community
Effective go-to-market

Use of Proceeds: Scale Growth Initiatives



Grow Platform and Products

EVH, Cloud Replication (Q2'22)



Scale Self Serve

Expand content creation/distribution and funnel optimization



Scale Sales Assisted

Accelerate lead generation, sales and customer success



Expand Partnerships

Grow business development and partner marketing

NOTE: Cloud Replication feature is anticipated to be available in Q2'22.

Selected Financial Metrics

(Non-GAAP)	FY'19	FY'20	FY'21
Adj. Gross Margin	73%	75%	75%
R&D (% revenue)	19%	23%	27%
S&M (% revenue)	19%	21%	27%
G&A (% revenue)	7%	12%	17%
Adj. EBITDA Margin	29%	21%	5%

NOTES: Adjusted Gross Margin excludes capex depreciation, internal-use software amortization and stock-based compensation. 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.

Investment Highlights

- ✔ Large, fast growing market
- ✔ Disruptive cloud platform
- ✔ Efficient go-to-market
- ✔ Strong financial profile with multiple growth drivers
- ✔ Experienced management

Q1 2022 Financial Overview



Frank Patchel,
CFO

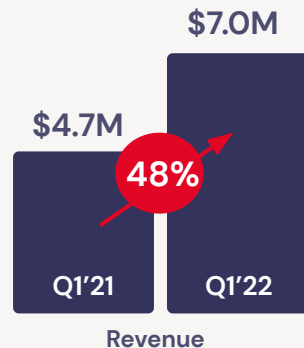
Strong Q1 Y/Y Growth: Revenue +27%, B2 Cloud Storage +48%

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).

Financial and Operational Q1 2022 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 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 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

2022
\$83 to \$86



Adj. EBITDA Margin

Q2'22
-19% to -15%

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 our Q1'22 earnings announcement on May 5, 2022 and are based on assumptions and subject to risks and uncertainties, and actual results may differ materially. We undertake no obligation to update or confirm such outlook. 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.

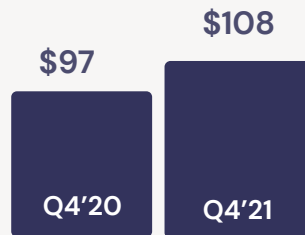
Annual Customer Metrics

Average Annual Revenue Per User (ARPU)

Total Company



Computer Backup



B2 Cloud Storage



Number of Customers

	(in thousands)	
	Q4'20	Q4'21
B2 Cloud Storage	59	74
Computer Backup	419	439
<hr/>		
Total Company	466	499

NOTES: Number of customers is defined in the appendix. The number of customers for each of B2 Cloud Storage and Computer Backup solutions include customers that use both our B2 Cloud Storage and Computer Backup solutions, which was totaled 12,321 in Q4'20 and 14,567 in Q4'21.



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

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: 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: 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: 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

Reconciliation of Non-GAAP Measures: Gross Margin

Adjusted Gross Profit	2019	2020	2021
Gross Profit	\$20.6	\$28.0	\$34.3
Gross Margin	51%	52%	51%
Adjustments for Cost of Revenue:			
Stock Based Compensation	0.1	0.1	0.5
Capex Depreciation	8.2	11.2	14.0
Internal-use Software Amortization	0.9	1.2	1.6
Adjusted Gross Profit	\$29.8	\$40.5	\$50.5
Adjusted Gross Margin	73%	75%	75%

Dollars in Millions

Reconciliation of Non-GAAP Measures: EBITDA

Adjusted EBITDA	2019	2020	2021
Net Loss	\$(1.0)	\$(6.6)	\$(21.7)
Net Loss Margin	(2)%	(12)%	(32)%
Adjustments:			
Total Depreciation & Amortization	9.3	13.0	16.3
Total Stock Based Compensation	1.4	1.9	5.6
Interest Expense	1.9	2.9	3.7
Income Tax Provision	–	–	0.1
Realized Loss on SAFE	–	–	1.4
Gain on Extinguishment of Debt	–	–	(2.3)
Adjusted EBITDA	\$11.7	\$11.1	\$3.2
Adjusted EBITDA Margin	29%	21%	5%

Dollars in Millions

Reconciliation of Non-GAAP Measures: Operating Expenses

Adjusted Operating Expenses	2019	2020	2021
R&D	\$8.4	\$13.1	\$20.5
Adj: Stock Based Compensation	(0.5)	(0.8)	(2.1)
S&M	8.2	11.9	19.7
Adj: Stock Based Compensation	(0.5)	(0.7)	(1.6)
G&A	3.1	6.7	12.9
Adj: Stock Based Compensation	(0.2)	(0.4)	(1.3)
Adjusted R&D (% revenue)	19%	23%	27%
Adjusted S&M (% revenue)	19%	21%	27%
Adjusted G&A (% revenue)	7%	12%	17%

Dollars in Millions