United States securities and exchange commission logo

October 15, 2021

Gleb Budman

Chief Executive Officer

Backblaze, Inc.

500 Ben Franklin Ct.

San Mateo, CA 94401

Re: Backblaze, Inc.

Amendment No. 2 to

Draft Registration

Statement on Form S-1

Submitted September

17, 2021

CIK No. 0001462056

Dear Mr. Budman:

We have reviewed your amended draft registration statement and have the following

comments. In some of our comments, we may ask you to provide us with information so we

may better understand your disclosure.

Please respond to this letter by providing the requested information and either submitting

an amended draft registration statement or publicly filing your registration statement on

EDGAR. If you do not believe our comments apply to your facts and circumstances or do not

believe an amendment is appropriate, please tell us why in your response.

After reviewing the information you provide in response to these comments and your

amended draft registration statement or filed registration statement, we may have additional

comments.

Amendment No. 2 to Draft Registration Statement on Form S-1

Management's Discussion and Analysis of Financial Condition and Results of Operations

Key Business Metrics, page 64

1. Please tell us whether

you consider adjusted EBITDA and adjusted gross margin key

performance indicators

and metrics. Refer to Item 303(a) of Regulation S-K and SEC

Release No. 33-10751.

2. You indicate that your

ability to grow the number of customers, and revenue generated per customer, on your

platform is a key indicator of the growth of your business and future

business opportunities.

Please tell us whether you use average revenue per customer, in Gleb Budman

Backblaze, Inc.

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addition to number of customers, as a key metric to evaluate your business. If so, please

expand your results of operations to discuss the impact of changes in the number of

customers versus annual revenue per customer and any trends in this regard.

Annual Recurring Revenue, page 65

1. Please expand your discussion of annual recurring revenue to explain how this metric

captures recurring revenue from your business operations, how management uses ARR

and its limitations. For example, explain how the calculation of ARR takes into account

that Backblaze B2 is a consumption-based offering that is paid in arrears

and Computer

Backup is a subscription-based offering paid up front. Also discuss the length of

customer subscriptions, including the extent to which they are monthly

versus annual.

Revenue, page 70

1. Please revise your revenue discussion to separately analyze changes in revenue recognized

from the consumption-based and subscription-based offering. This discussion should

disclose increases due to adding customers and higher consumption. We refer you Item

303(b)(2) of Regulation S-K.

Liquidity and Capital Resources, page 73

1. You indicate throughout the prospectus that you issued $10 million in convertible notes in

August 2021; however, it appears that you issued a SAFE instrument, or a

Simple

Agreement for Future Equity. Please revise your disclosure to clarify you obtained

financing through SAFE agreements.

You may contact Amanda Kim, Senior Staff Accountant, at (202) 551-3241 or Stephen

Krikorian, Accounting Branch Chief, at (202) 551-3488 if you have questions regarding

comments on the financial statements and related matters. Please contact Kathleen Krebs,

Special Counsel, at (202) 551-3350 or Jan Woo, Legal Branch Chief, at (202) 551-3453 with any

other questions.

Sincerely,

FirstName LastNameGleb Budman

Division of

Corporation Finance

Comapany NameBackblaze, Inc.

Office of Technology

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1. Bennett L. Yee, Esq. FirstName LastName