



Q4 and FY 2021 Results



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CFO

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Important Information About This Presentation

Cautionary Note Regarding Forward-Looking Statements

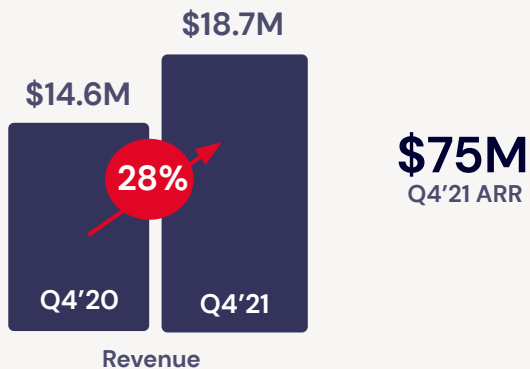
This presentation contains forward-looking statements, which involve risks and uncertainties. These forward-looking statements are generally identified by the use of forward-looking terminology, including the terms “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “likely,” “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

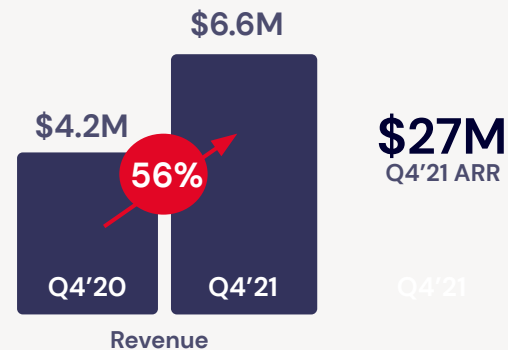
To supplement the financial measures prepared in accordance with generally accepted accounting principles (GAAP), we use non-GAAP Adjusted Gross Margin and Adjusted EBITDA Margin. These non-GAAP financial measures exclude certain items and are not prepared in accordance with GAAP; therefore, the information 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 Q4 Y/Y Growth: Revenue +28%, B2 Storage Cloud +56%

Total Revenue



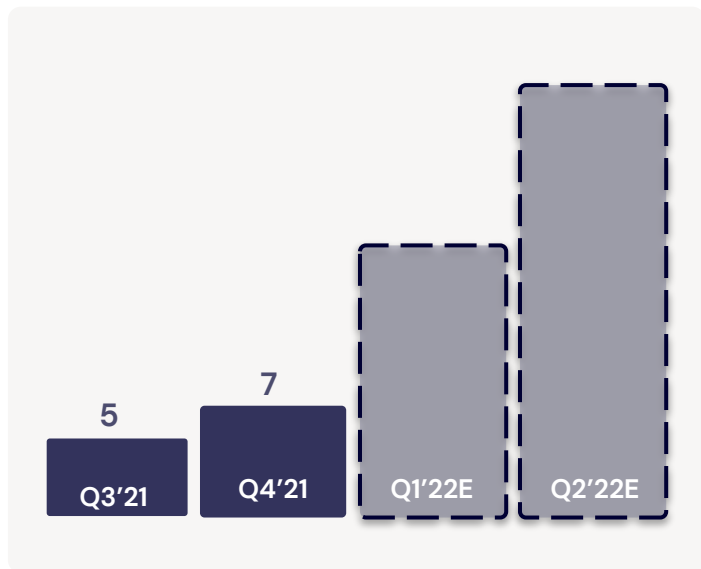
B2 Cloud Storage



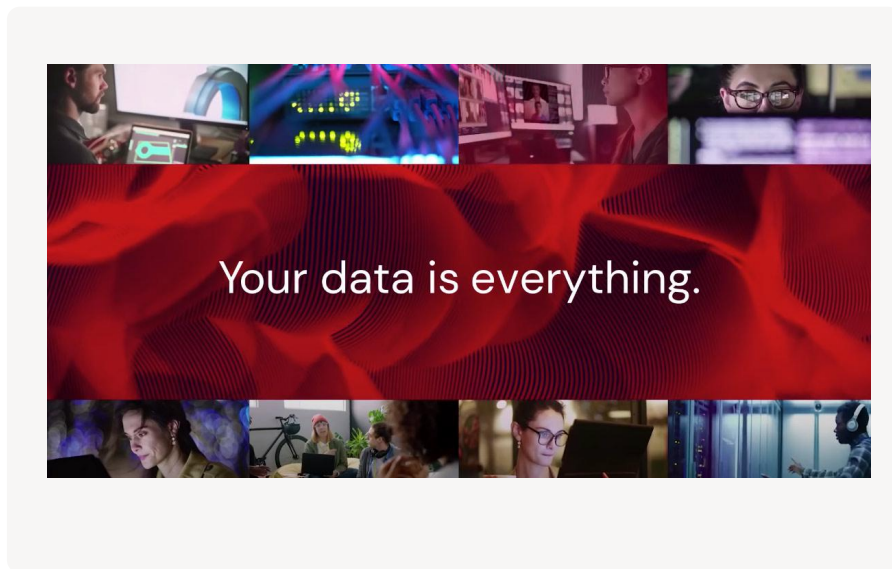
NOTES: Financial data is shown for the quarters ending December 31, 2020 and 2021, and the latter is based on unaudited financial data. See appendix for definition of ARR (annual recurring revenue).

Scaling the Business: Sales and Marketing

Outbound Sales Representatives



Blaze It! Advertising Campaign



Scaling the Business: Partnerships



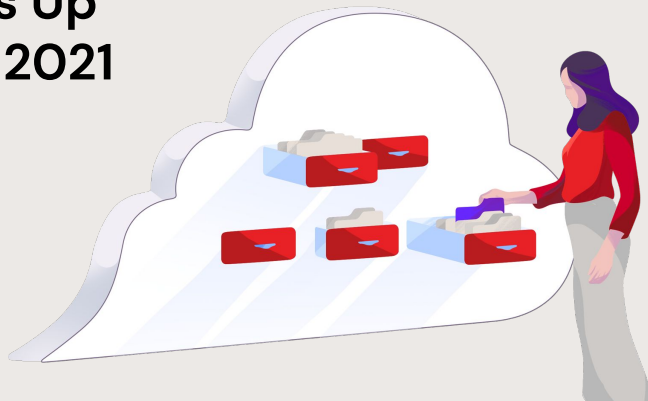
New Kasten Partnership
For Kubernetes Environments



New Partnership
Marketing Team

Scaling the Business: Developers

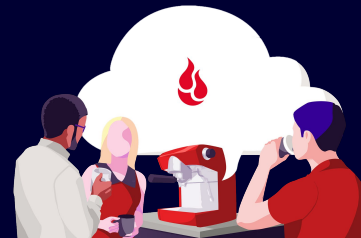
**B2 Cloud Storage ARR
from Developer
Customers Up
~2X Y/Y in 2021**



**Developer
Customer NRR
~150%**



**Developer
Evangelism
Team
Established**



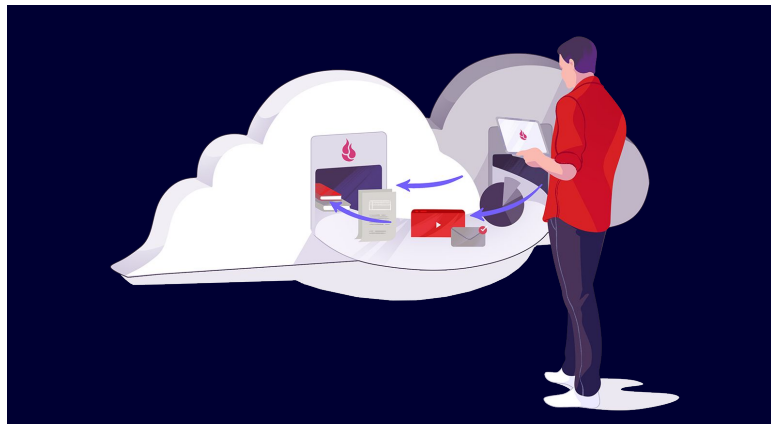
NOTES: See appendix for definitions of ARR (annual recurring revenue) and NRR (net revenue retention). The ARR and NRR relating to Developer Accounts is calculated in the same manner as our overall net revenue retention rate based on the revenue solely relating to our Developer customer accounts.

Customer Story: Can Stock Photo

- Developer customer
- Migrated from Amazon Web Services
- Saved money & got best-of-breed cloud services

“...switching to Backblaze...was so uneventful and so easy...it was literally like flipping a light switch on the back end...With Backblaze, our business is now in a more nimble position.”

– **Duncan Enman, Founder, Can Stock Photo**



Q4 Financial Overview



Frank Patchel,
CFO

Financial and Operational Q4 Highlights

	Revenue (\$M)	Y/Y Growth	NRR	Gross Customer Retention
B2 Cloud Storage	\$6.6	56%	130%	89%
Computer Backup	\$11.9	16%	102%	91%
Total Company	\$18.7	28%	110%	91%

NOTES: All financial information is as of December 31, 2021, with year-over-year revenue comparisons to the same period as of December 31, 2020, and Q4'21 results are based on the unaudited financial information. NRR (Net Revenue Retention) and Gross Customer Retention are defined in the appendix. The calculation methodology for NRR and gross customer retention rate metrics for the periods presented have been adjusted to improve accuracy with respect to customers that use both our Computer Backup and B2 Cloud Storage solutions. Corresponding NRR and gross customer retention rate metrics for all quarters between Q1'20 and Q4'21 under this adjusted methodology will be provided in our Form 10-K filing for the fiscal year ended December 31, 2021. The calculation methodology for these metrics on a total company basis remains unchanged.

Number of Customers

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

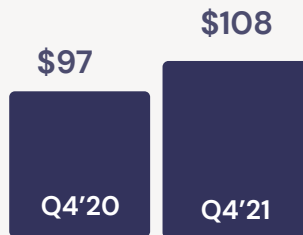
NOTES: Number of customers is defined in the appendix. The number of customers for each of B2 Cloud Storage and Computer Backup solutions include customers that use both our B2 Cloud Storage and Computer Backup solutions.

Average Annual Revenue Per User (ARPU)

Total Company



Computer Backup



B2 Cloud Storage



NOTES: Average Annual Revenue Per User is defined in the appendix.

Other Q4 Financial Highlights

75%

Adj. Gross Margin

-7%

Adj. EBITDA Margin

\$105M

Balance Sheet Cash

NOTES: All financial information is as of December 31, 2021 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.

Q1'22 and 2022 Outlook Ranges



Revenue (\$M)

Q1'22
\$19.0 to \$19.5

2022
\$83 to \$86



Adj. EBITDA Margin

Q1'22
-16% to -20%

2022
-14% to -18%

NOTES: The above financial information guidance for the first 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.



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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

- **“Number of Customers”** is defined as the total number of paying customers at the end of a period, each of which is a distinct account that is identified by a unique account identifier.
- **“Annual ARPU”** means annual average revenue per user and is calculated by dividing our revenue for the last month of a period by the total number of customers as of the last day of the same period, and then multiplying the resulting quotient by 12. Our annual average revenue per user for Computer Backup and B2 Cloud Storage is calculated in the same manner based on the revenue and number of customers from our Computer Backup and B2 Cloud Storage solutions, respectively.

Additional Key Business Metrics Calculation Notes

The metrics for Net Revenue Retention Rate (NRR), Gross Customer Retention Rate, Number of Customers and Annual Average Revenue Per User 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	Q4'21	Q4'20
Gross Profit	\$9.834	\$7.562
Gross Margin	53%	52%
Adjustments for Cost of Revenue:		
Stock Based Compensation	0.176	0.043
Depreciation and Amortization	4.105	3.644
Adjusted Gross Profit	\$14.115	\$11.249
Adjusted Gross Margin	75%	77%

Dollars in Millions

Reconciliation of Non-GAAP Measures: EBITDA

Adjusted EBITDA	Q4'21	Q4'20
Net Loss	\$(9.605)	\$(3.418)
Net Loss Margin	-51%	-23%
Adjustments:		
Total Depreciation & Amortization	4.280	3.840
Total Stock Based Compensation	2.018	0.665
Interest Expense	0.991	0.940
Income Tax Provision	(0.040)	(0.007)
Realized Loss on Safe	1.077	–
Adjusted EBITDA	\$(1.279)	\$2.020
Adjusted EBITDA Margin	-7%	14%

Dollars in Millions

Reconciliation of Non-GAAP Measures: Operating Expenses

Adjusted Operating Expenses	Q4'21	Q4'20
R&D	\$6.222	\$3.937
Adj: Stock Based Compensation	(0.752)	(0.214)
S&M	6.549	3.545
Adj: Stock Based Compensation	(0.595)	(0.284)
G&A	4.640	2.565
Adj: Stock Based Compensation	(0.495)	(0.124)
Adjusted R&D (% revenue)	29%	26%
Adjusted S&M (% revenue)	32%	22%
Adjusted G&A (% revenue)	22%	17%

Dollars in Millions



Thank you.