



**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

## Disclaimer

This presentation by Backblaze, Inc. (the “Company” or “Backblaze”) is not a prospectus, and it does not constitute an offer to sell or a solicitation of an offer to buy securities, nor shall there be any sale of any securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. Sales and offers to sell the Company’s securities will only be made in accordance with the Securities Act of 1933, as amended, and applicable SEC regulations including written prospectus requirements.

The Company has filed a registration statement (the “Registration Statement”), which includes a preliminary prospectus, with the Securities and Exchange Commission (“SEC”) for the offering to which this presentation relates. The registration statement has not yet become effective. Shares of the Company’s Class A common stock may not be sold, nor may offers to buy be accepted, prior to the time the registration statement becomes effective. Before you invest in any such shares, you should read the preliminary prospectus in that registration statement and other documents the Company has filed with the SEC for more complete information about the Company and this offering. You may obtain these documents for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, copies of the preliminary prospectus may be obtained from Backblaze, Inc., Attention: Investor Relations, by telephone at 650-352-3738, or by email at [ir@backblaze.com](mailto:ir@backblaze.com).

We include statements and information in this presentation concerning our industry and the markets in which we operate, including our general expectations and market opportunity, which are based on information from independent industry organizations and other third-party sources (including industry publications, surveys and forecasts). While we believe these third-party sources to be reliable as of the date of this presentation, we have not independently verified any third-party information and such information is inherently imprecise. In addition, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of risks, including, but not limited to: the intensely competitive markets in which the Company participates; the significant disruptions in the Company’s service or loss, or delay in availability, of customers’ data; the security breaches or cybersecurity attacks; the Company’s ability to attract and retain customers on a cost-effective basis; the Company’s ability to provide successful enhancements, new features, and modifications to its cloud services; the impact of any material defects or errors in the Company’s software; the reliance on third-party vendors and suppliers, including data center and hard drive providers; the success of the Company’s strategic relationships with third parties; and the other risk factors set forth in the Registration Statement. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

## 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, 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, performance or achievements to be materially different from any future results, performance or achievements 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

**> 60% YoY**

Revenue Growth for B2  
2x Public Cloud Market Growth

**~130% NRR**

B2 Cloud Storage

**5 Co-founders**

Together for Over 20 Years

**\$65M ARR**

>98% Recurring

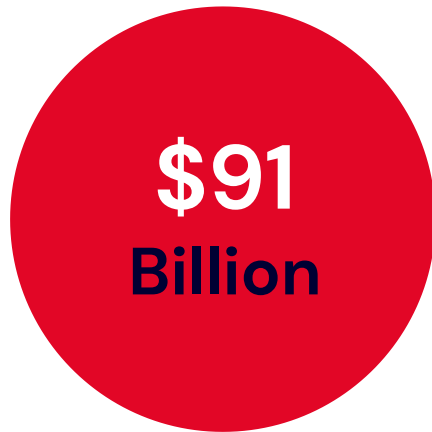
**< \$3 Million**

Outside Equity Investment  
Through 2020

NOTES: All data is as of June 30, 2021, except as otherwise noted. Financial data as of June 30, 2021 is based on unaudited financial data. See appendix for definitions of NRR (net revenue retention) and ARR (annual recurring revenue). >60% revenue growth and ~130% NRR are calculated based solely on B2 Cloud Storage. "2x Public Cloud Market Growth" is based on IDC Worldwide Semiannual Public Cloud Services Tracker, May 2021, for Infrastructure as a Service growth rate for 2020. \$65M 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
- Nothing is ever deleted (anymore)
- Everyone needs to store/use/protect

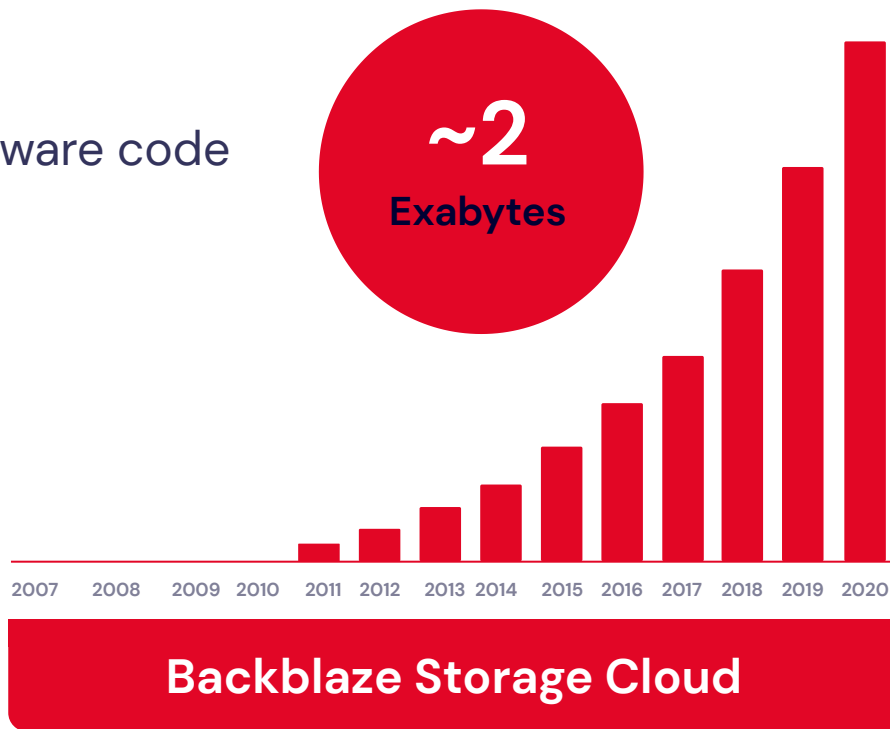


Public Cloud  
Infrastructure-as-a-Service  
Storage

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 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 June 30, 2021.

# Leading Independent Cloud Platforms

Networking



Compute



Communication



Data Storage



# Partnering to Build the Applications of the Future





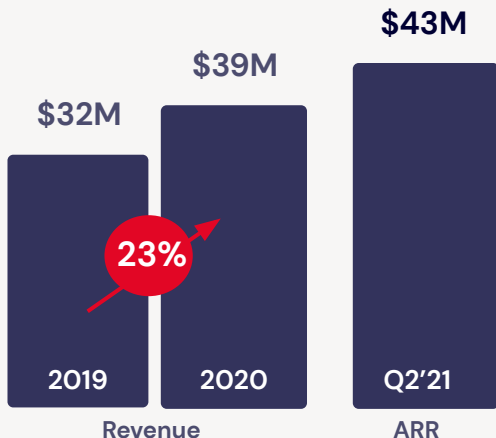


# Our Cloud Services

	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		

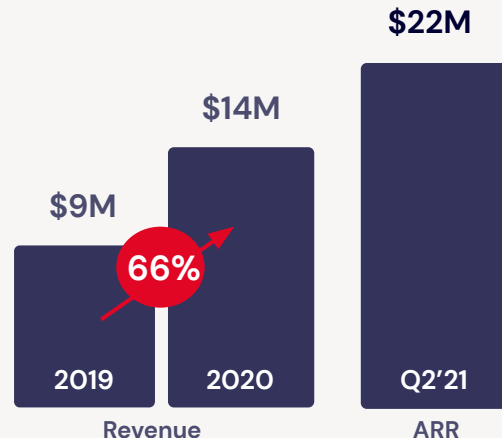
# Strong Core Business + Hypergrowth “Jewel”

## Computer Backup



~ 430,000 Customers  
~ \$100 Annual ARPU  
104% NRR

## B2 Cloud Storage



~ 70,000 Customers  
~ \$325 Annual ARPU  
130% NRR

NOTES: Revenue is shown for the years ending December 31, 2019 and 2020. ARR, number of customers, Annual ARPU and NRR is calculated as of June 30, 2021 and is based on unaudited financial information. The number of customers for each of B2 Cloud Storage and Computer Backup include approx. 13,500 customers that use both the B2 Cloud Storage and Computer Backup solutions. See appendix for definitions of ARR (annualized recurring revenue), Annual ARPU (annual average revenue per user) and NRR (net revenue retention).

# 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 (1H '22)

Shared Go-to-Market

NOTE: Cloud Replication feature is anticipated to be available in 1H'22.

# Computer Backup → Unlimited, Better & Less Expensive

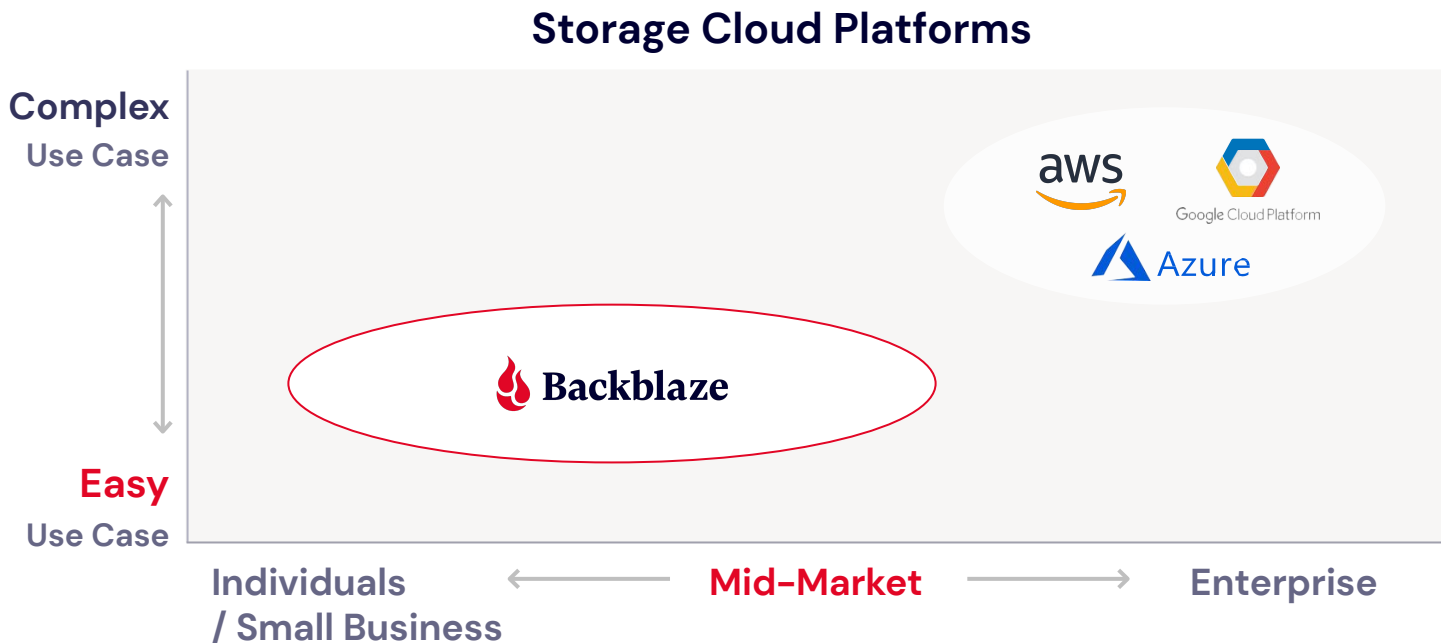
	Backblaze	Dropbox iCloud Google Drive
Price per Year	<b>\$70</b> Unlimited	<b>\$100 – \$120</b> 2TB
Unlimited Data Backup	✓	
All Data Backed Up Automatically	✓	
Data Recovery by Mail	✓	
Private Encryption Key	✓	

“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



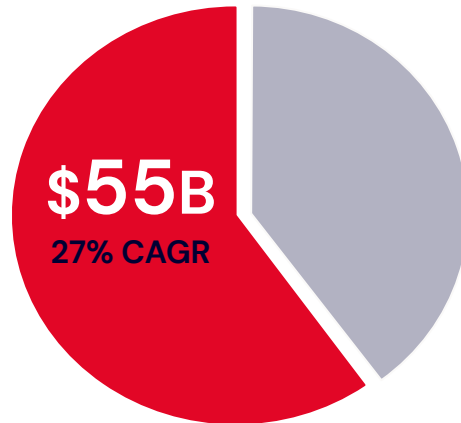
# Huge, Underserved Mid-Market

**60%**

**Mid-market business  
of IaaS spend**

Public Cloud Infrastructure-  
as-a-Service Storage

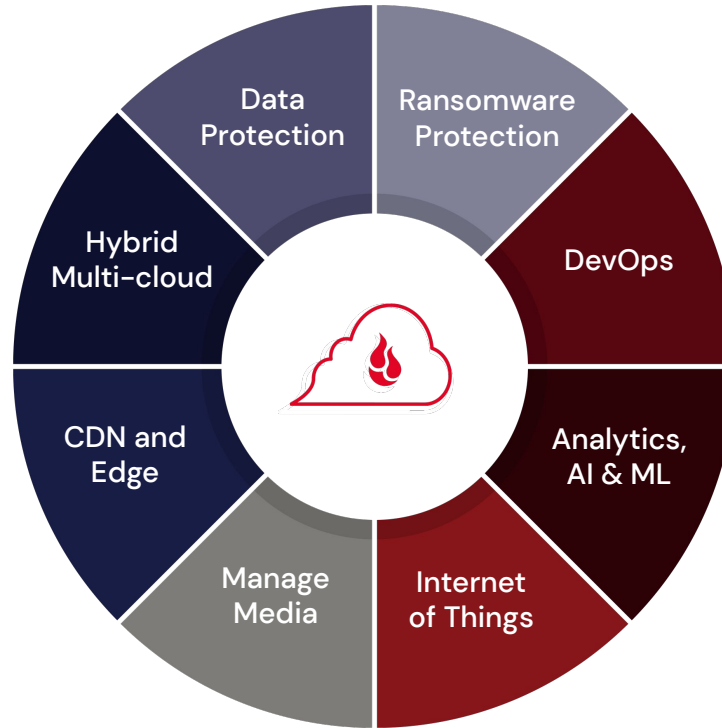
**\$91B**



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

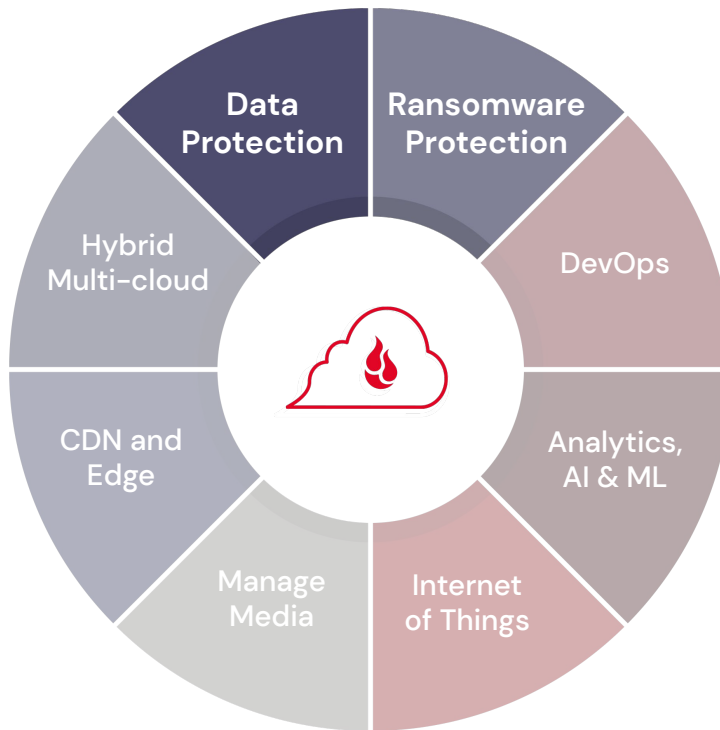


# B2: Helps IT

**GLADSTONE**  
INSTITUTES



**Biomedical Organization**

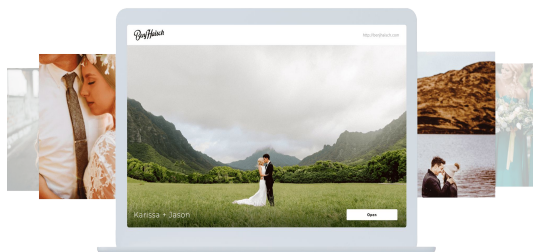


**IT: On-premise to B2 Cloud**

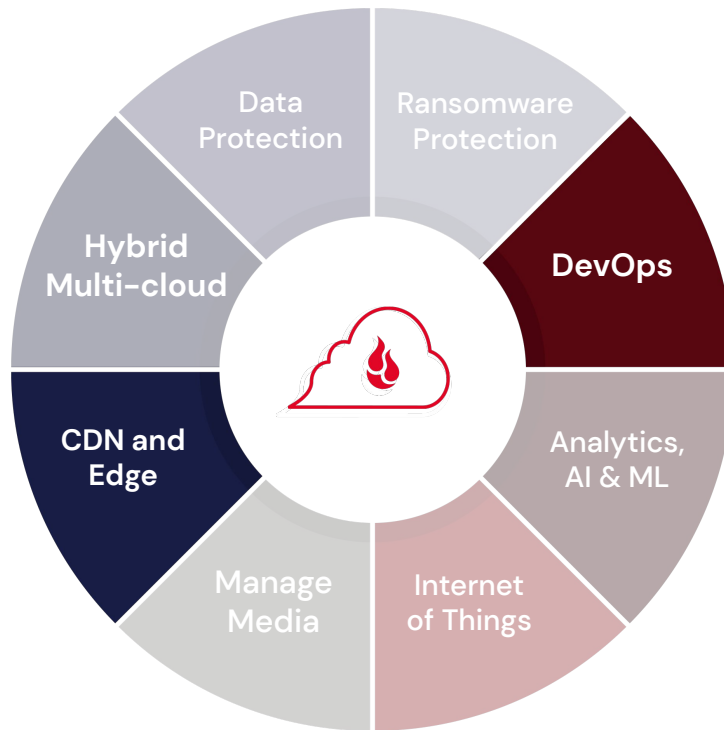
- Critical medical data
- Replaced > 900 tapes
- Added ransomware protection



# B2: Helps Developers



**SaaS Company**



**Developer: AWS to B2 Cloud**

- Lowered costs
- Enabled business growth
- Switched to independent cloud platforms

# 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

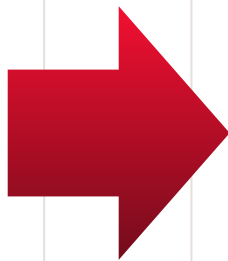
**Independent Cloud**

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

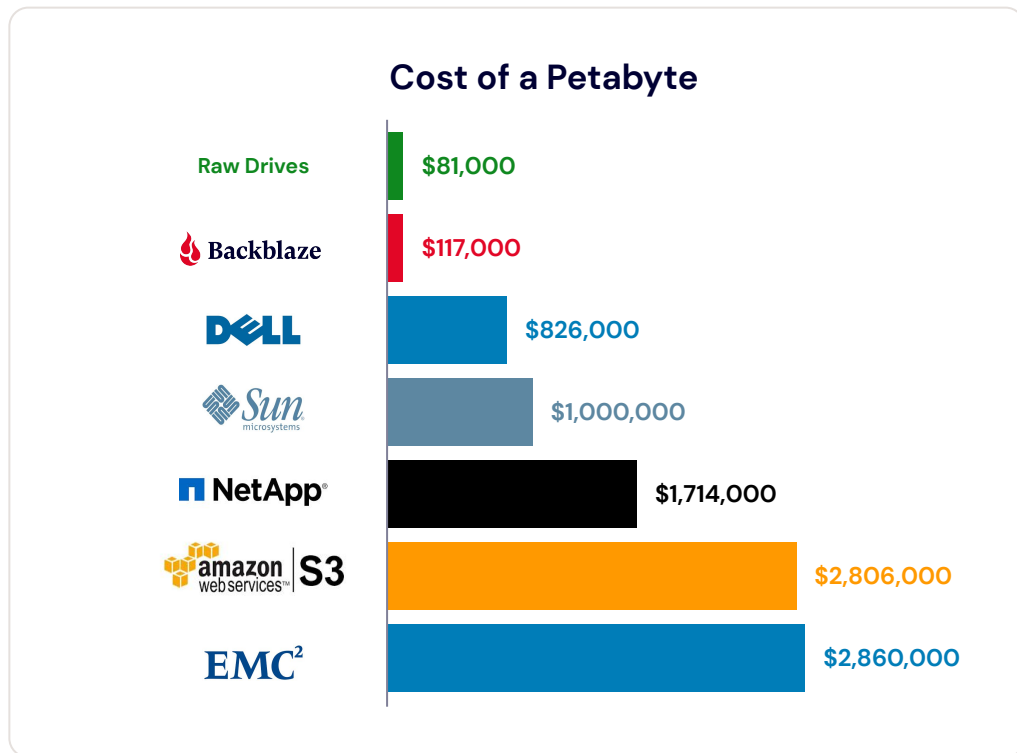
"We launched S3 as 'simple', but I'm not convinced it's simple anymore."

—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

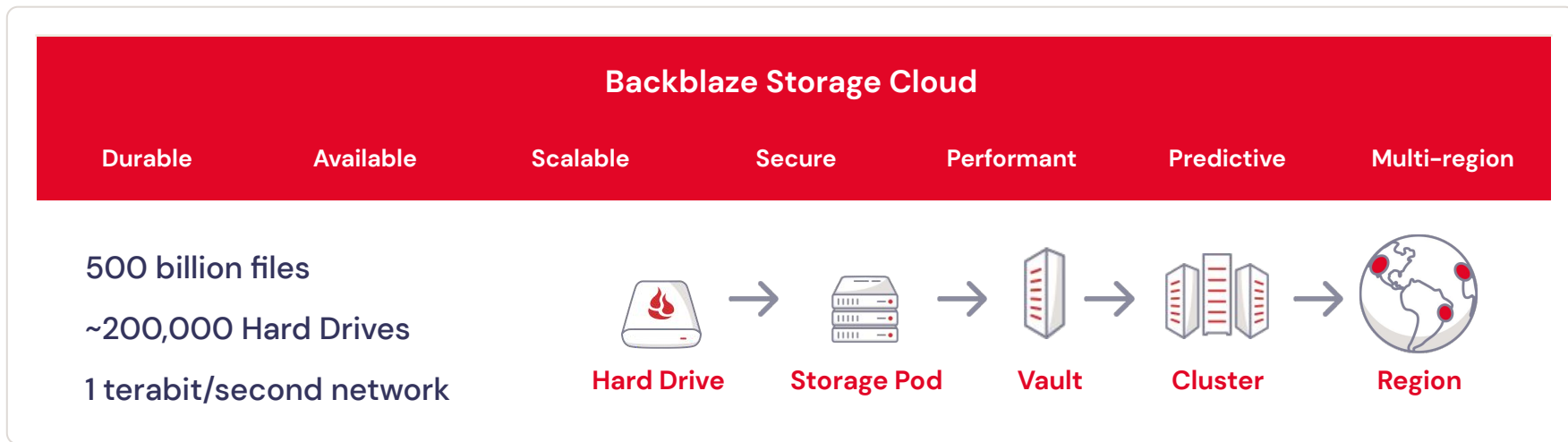
Amazon storage was too expensive (2009 prices)



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



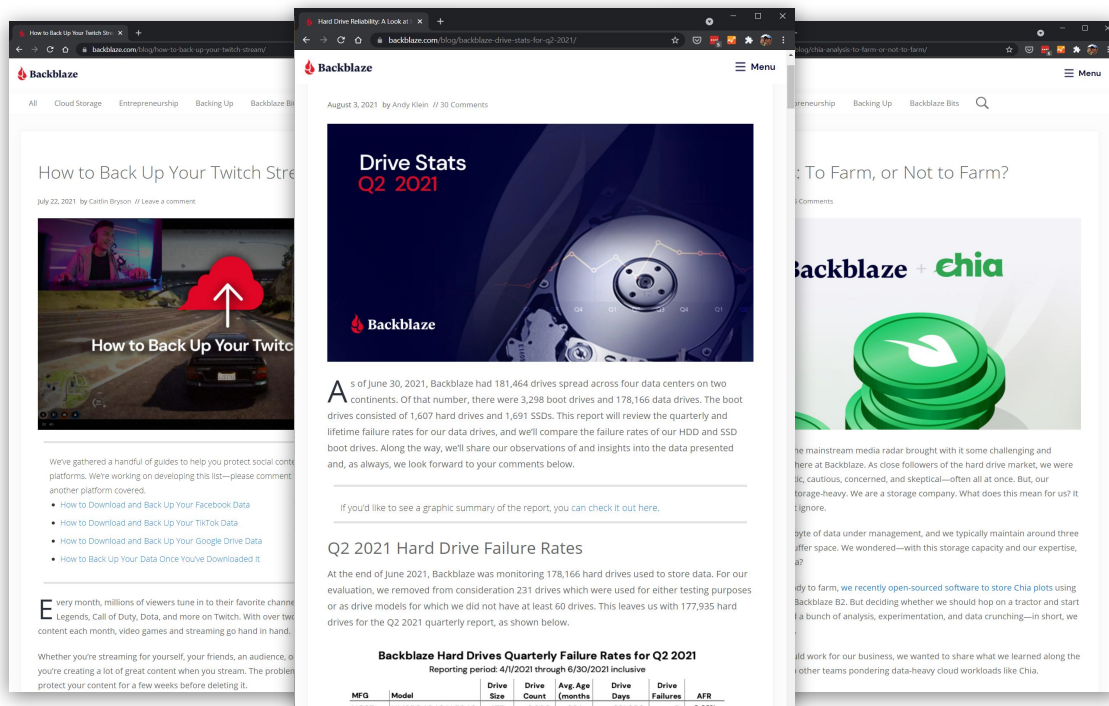
NOTE: Number of hard drives and files as of June 30, 2021.



# Content and Community Drives Go-to-Market Efficiency

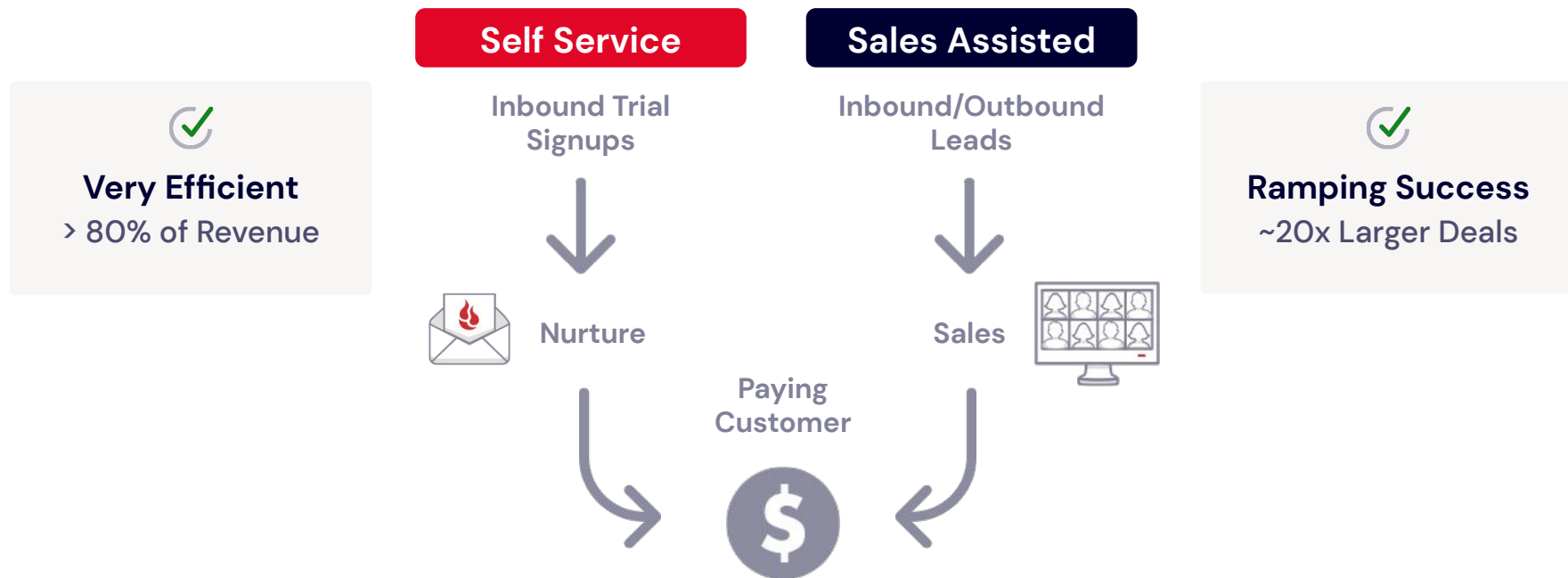


**3 Million+**  
Blog readers



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

## 2 Selling Motions



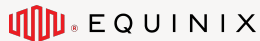
NOTE: ">80% of Revenue" reflects the percent of revenue attributable to Self Service customers compared to the Company's overall revenue for the year ended December 31, 2020. "~20x Larger Deals" is based on the average revenue per customer of Sales Assisted customers compared to Self Service customers for the year ended December 31, 2020.

# 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**

**QNAP**

Software deployed by IT that sends data to Backblaze B2

# Experienced Team, Highly Energetic Culture



★★★★★ 4.9 of 5

100% Recommend to a friend

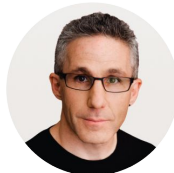
100% Approve of CEO



**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



**Nick Tran**  
VP of Marketing



**Nilay Patel**  
VP of Sales



**Tina Cessna**  
SVP of Engineering



**Mark Potter**  
Chief Information  
Security Officer



**Natalie Cook**  
Senior Director,  
HR & Recruiting

SONICWALL™

veeva

Adobe



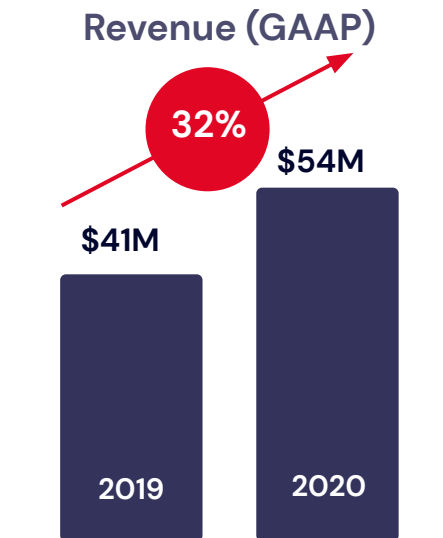
NOTE: Glassdoor ratings as of September 23, 2021.

# Financial Overview



Frank Patchel,  
CFO

# Financial Profile



## Key Metrics (Non-GAAP) (Q2 2021)

ARR  
**\$65M**

Net Revenue Retention

**110%**

Adjusted Gross Margin

**75%**

ARR Growth

**24% YoY**

Recurring Revenue

**>98%**

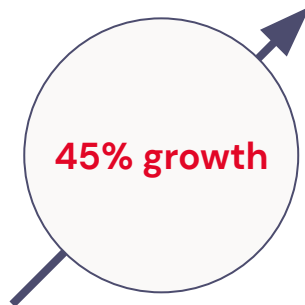
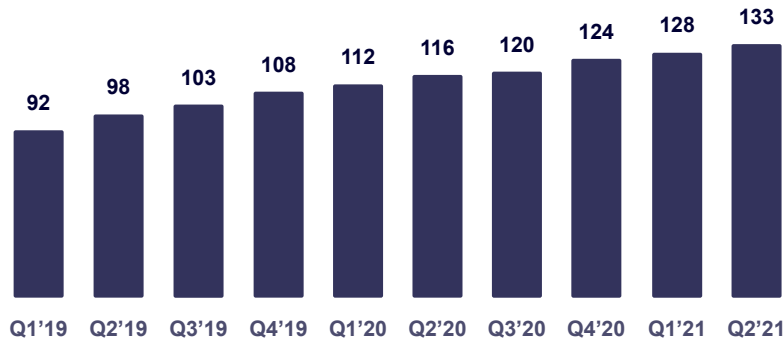
Adjusted EBITDA Margin

**9%**

NOTES: Revenue (GAAP) is shown for the years ending December 31, 2019 and 2020. Key metrics (non-GAAP) are calculated as of June 30, 2021 and based on unaudited financial information. 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.

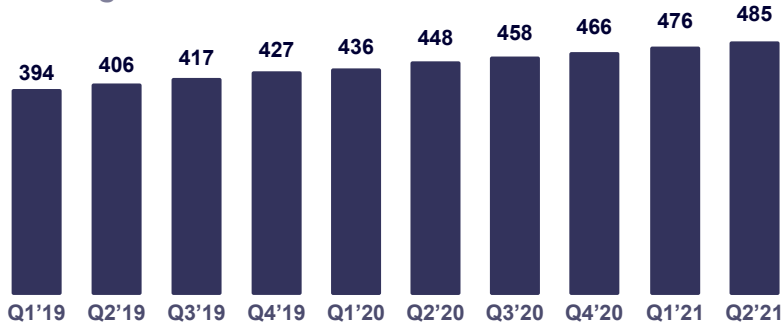
# Consistent Growth

\$/Customer (annualized)



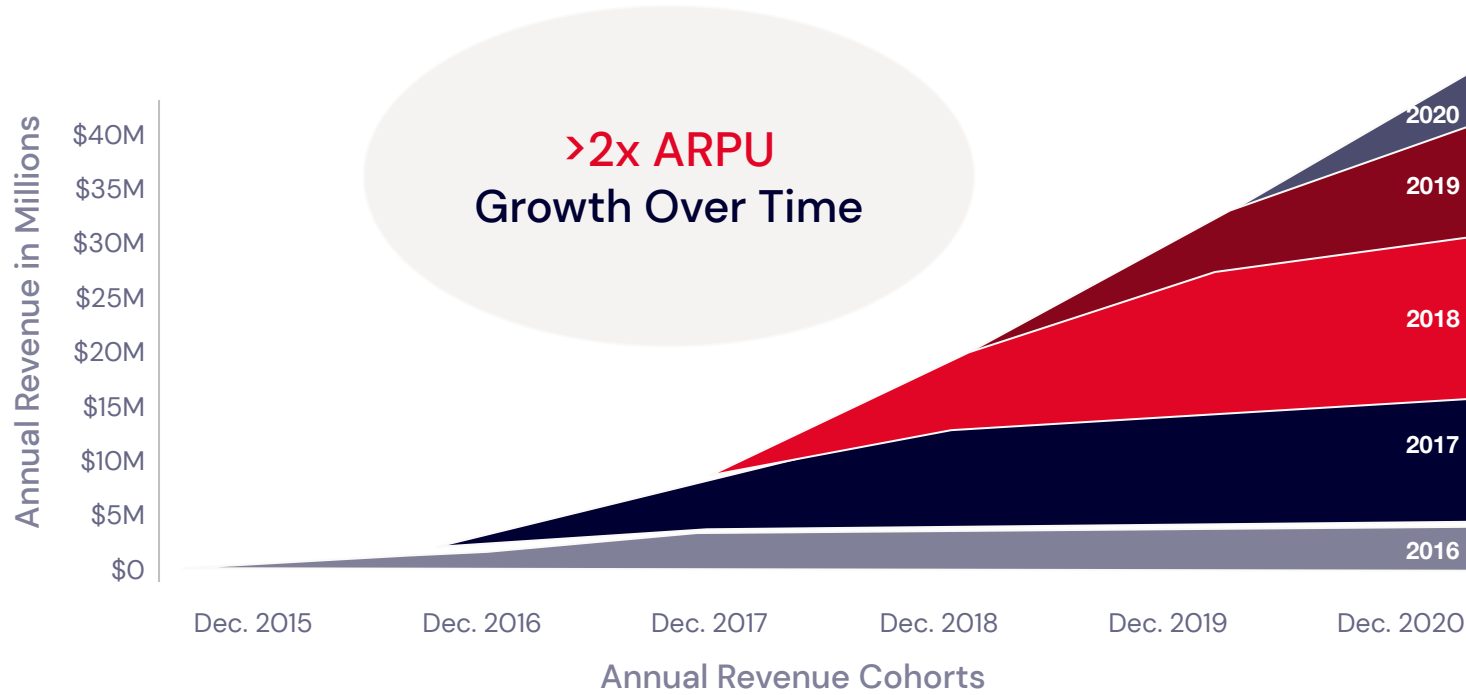
Growth in data & subscriptions  
Upsells & cross-sells  
Price increase

Ending Customer Count (000s)



Strong brand & community  
Effective go-to-market

# Customer Revenue Expansion Drives Growth



NOTE: "2x ARPU Growth Over Time" reflects the average revenue growth per customer (by cohort) for the period following the calendar year in which the customer initially joined Backblaze.



# Factors Driving Acceleration

- 1. B2 Mix Increasing**  
From 21% for 2019 to 32% for 1H'21
- 2. Computer Backup Price Increase (~\$6 to ~\$7)**  
Estimated 17% extra recurring revenue for Computer Backup over ~2 years
- 3. IPO Proceeds Investment**  
\$65M ARR achieved on <\$3M outside equity investment as of June 30, 2021

NOTES: B2 mix reflects the revenue mix of revenue attributable to B2 Cloud Storage compared to total Company revenue for fiscal year 2019 and the six month period ended June 30, 2021. Financial data for the six month period ended June 30, 2021 is unaudited financial information. Estimated future 17% extra recurring revenue applies to Computer Backup revenue and is based solely on the increase in monthly price from \$6 to \$7 announced in July 2021, which price increase is phased in over a period of approximately the next 2 years. ARR (annual recurring revenue) is as of June 30, 2021 and based on unaudited financial information. See appendix for the definition of ARR.

# Use of Proceeds: Scale Growth Initiatives



## **Grow Platform and Products**

EVH, Cloud Replication (1H '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 1H'22.

# Selected Financial Metrics

(Non-GAAP)	FY'19	FY'20	H1'21 (unaudited)
Adj. Gross Margin	73%	75%	75%
R&D (% revenue)	19%	23%	26%
S&M (% revenue)	19%	21%	24%
G&A (% revenue)	7%	12%	15%
Adj. EBITDA Margin	29%	21%	11%

NOTES: Results for H1'21 are based on the unaudited financial information for the six month period ending June 30, 2021. 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



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

# Definitions

- “Annual ARPU” means Annual Average Revenue Per User, and reflects the annualized value for the average revenue per customer. Annual average revenue per user is calculated by dividing the revenue for the last month of a period by the total number of customers as of the end of the period, and then multiplying 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 Computer Backup and B2 Cloud Storage solutions, respectively.
- “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.
- “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.

# Reconciliation of Non-GAAP Measures: Gross Margin

Adjusted Gross Profit	2019	2020	H1 '21
<b>Gross Profit</b>	\$20.6	\$28.0	\$51.7
Gross Margin	51%	52%	50%
<b>Adjustments for Cost of Revenue:</b>			
Stock Based Compensation	0.1	0.1	0.2
Capex Depreciation	8.2	11.2	6.9
Internal-use Software Amortization	0.9	1.2	0.8
<b>Adjusted Gross Profit</b>	\$29.8	\$40.5	\$23.6
Adjusted Gross Margin	73%	75%	75%

Dollars in Millions

# Reconciliation of Non-GAAP Measures: EBITDA

Adjusted EBITDA	2019	2020	H1 '21
<b>Net Loss</b>	\$(1.0)	\$(6.6)	\$(6.1)
Net Loss Margin	(2)%	(12)%	(19)%
<b>Adjustments:</b>			
Total Depreciation & Amortization	9.3	13.0	8.0
Total Stock Based Compensation	1.4	1.9	2.2
Interest Expense	1.9	2.9	1.7
Income Tax Provision	–	–	0.1
Gain on Extinguishment of Debt	–	–	(2.3)
<b>Adjusted EBITDA</b>	<b>\$11.7</b>	<b>\$11.1</b>	<b>\$3.6</b>
Adjusted EBITDA Margin	29%	21%	11%

Dollars in Millions



# Reconciliation of Non-GAAP Measures: Operating Expenses

Adjusted Operating Expenses	2019	2020	H1 '21
<b>R&amp;D</b>	\$8.4	\$13.1	\$9.0
Adj: Stock Based Compensation	(0.5)	(0.8)	(0.9)
<b>S&amp;M</b>	8.2	11.9	8.1
Adj: Stock Based Compensation	(0.5)	(0.7)	(0.6)
<b>G&amp;A</b>	3.1	6.7	5.2
Adj: Stock Based Compensation	(0.2)	(0.4)	(0.5)
Adjusted R&D (% revenue)	19%	23%	26%
Adjusted S&M (% revenue)	19%	21%	24%
Adjusted G&A (% revenue)	7%	12%	15%

Dollars in Millions