



Q1 2024 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 and initiatives, 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, non-GAAP Net Income, Adjusted EBITDA Margin and non-GAAP Operating Expenses to the most directly comparable GAAP financial measures.

Key Highlights

1. Dramatically Improved Financial Metrics
2. Leveraging the Trend to Cloud 2.0
3. Accelerating Differentiated Innovation

Record Year on Year Improvement

	Q1'24	Q1'23	Improved By
Revenue Growth	28%	20%	+8 points
Adj. Gross Margin	77%	72%	+5 points
Adj. EBITDA Margin	6%	(12)%	+18 points
Cash Usage	\$(0.6)	\$(12.9)	+\$12.3M

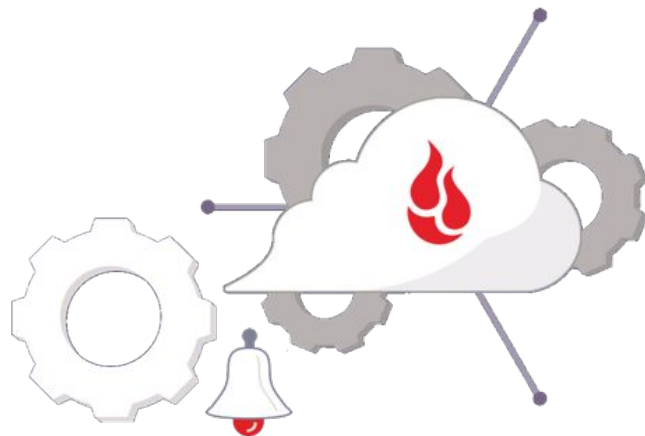
NOTES: "Record Year on Year Improvement" is based on financial results as a public company (following the Company's initial public offering in November 2021). Revenue Growth, Adjusted Gross Margin, Adjusted EBITDA Margin and Cash Usage are shown for the quarters ending March 31, 2024 and 2023. The financial results are based on unaudited financial information. Adjusted Gross Margin excludes capex depreciation, stock-based compensation and R&D amortization. Adjusted EBITDA is shown on an adjusted basis excluding stock-based compensation. See appendix for the reconciliation of GAAP to non-GAAP metrics.

Event Notifications

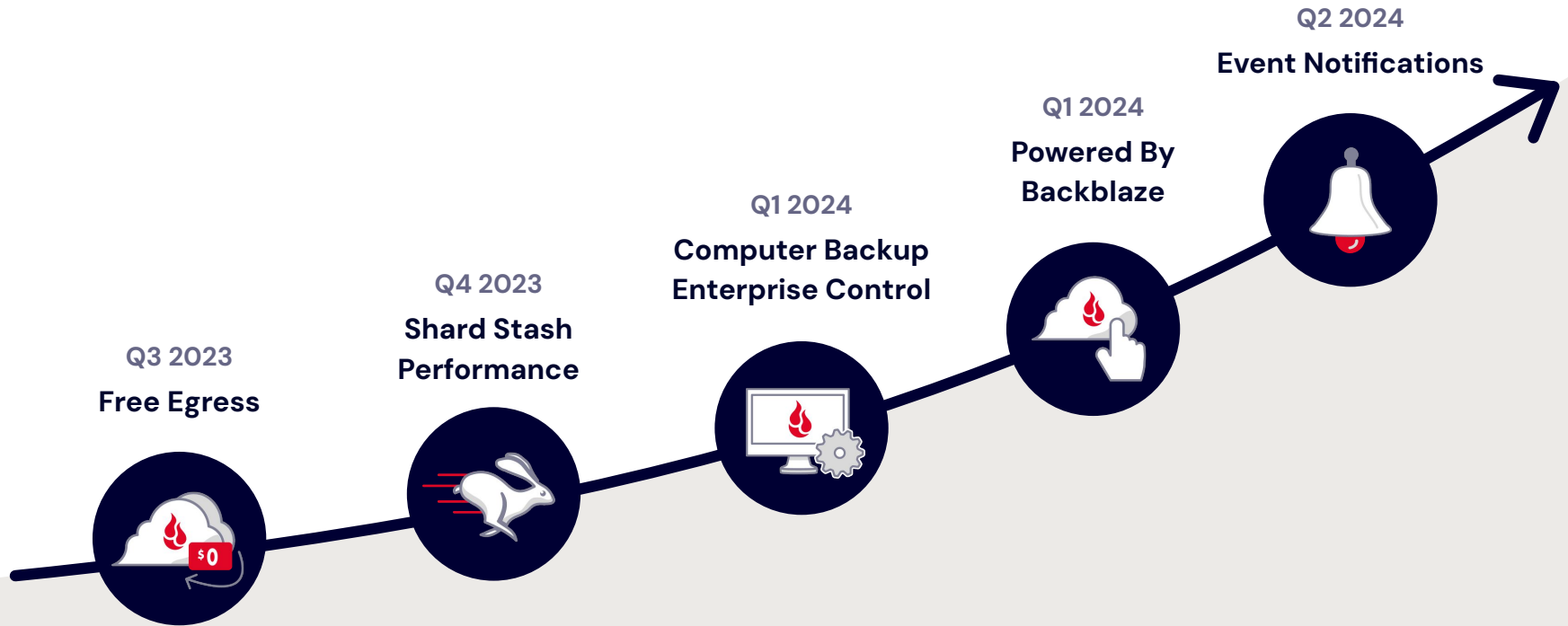
Automate workflows across your preferred tech stack

“Event Notifications completes our transition to a more streamlined and cost-effective tech stack. It’s not just about simplifying operations –it’s about achieving full independence from legacy systems like AWS.”

– Oleh Aleynik, Co-Founder at CloudSpot



Accelerating Differentiated Innovation



Executing on Growth Strategy

Elevating Our Security Commitment



Deepening Partner Relationships



Supporting AI Solutions



2x more AI customers

NOTES: Backblaze is participating in the StateRAMP's Progressing Snapshot program and has received the Trusted Partner Network Assessment's Blue Shield Status. AI customer growth compares Q1 2024 AI identified customer count with Q4 2022 AI identified customer count.

Customer Story: One of the World's Largest Retailers

- Internal media team standing up new studio
- Data migration from on-prem to cloud
- Enabled modern media workflows
- Referred by channel partner



Key Highlights

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Q1 2024 Financial Overview

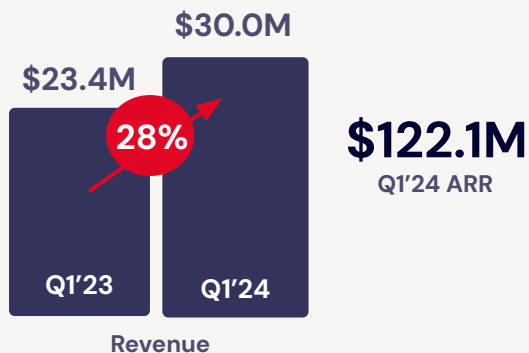


Frank Patchel
CFO

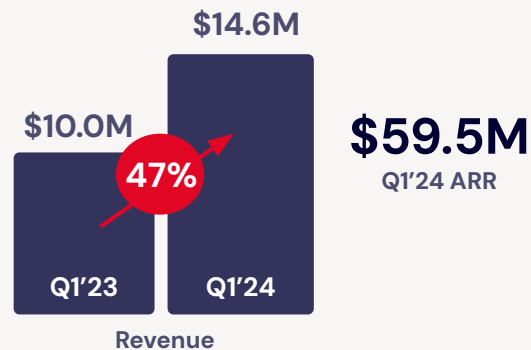
Strong Q1 2024 Revenue Growth

Total Company +28%, B2 Cloud Storage +47%

Total Company



B2 Cloud Storage



NOTES: Financial data is shown for the quarters ending March 31, 2023 and 2024, and are based on unaudited financial data. For the periods presented, Physical Media revenue has been consolidated into B2 Cloud Storage or Computer Backup revenue based on the underlying offering from which it originates; previously Physical Media revenue was disclosed separately. See appendix for definition of ARR (Annual Recurring Revenue).

Financial and Operational Q1 Highlights

	Revenue (\$M)	Y/Y Growth	NRR	Gross Customer Retention
B2 Cloud Storage	\$14.6	47%	126%	89%
Computer Backup	\$15.3	14%	101%	91%
Total Company	\$30.0	28%	112%	91%

NOTES: For the periods presented, Physical Media revenue has been consolidated into B2 Cloud Storage or Computer Backup revenue based on the underlying offering from which it originates; previously Physical Media revenue was disclosed separately. All financial information is as of March 31, 2024, with year-over-year revenue comparisons to the same period as of March 31, 2023, and are based on unaudited financial information. NRR (Net Revenue Retention) and Gross Customer Retention are defined in the appendix.

Record Year on Year Improvement

	Q1'24	Q1'23	Improved By
Revenue Growth	28%	20%	+8 points
Adj. Gross Margin	77%	72%	+5 points
Adj. EBITDA Margin	6%	(12)%	+18 points
Cash Usage	\$(0.6)	\$(12.9)	+\$12.3M

NOTES: "Record Year on Year Improvement" is based on financial results as a public company (following the Company's initial public offering in November 2021). Revenue Growth, Adjusted Gross Margin, Adjusted EBITDA Margin and Cash Usage are shown for the quarters ending March 31, 2024 and 2023. The financial results are based on unaudited financial information. Adjusted Gross Margin excludes capex depreciation, stock-based compensation and R&D amortization. Adjusted EBITDA is shown on an adjusted basis excluding stock-based compensation. See appendix for the reconciliation of GAAP to non-GAAP metrics.

Q2'24 and 2024 Outlook Ranges



Revenue (\$M)

Q2'24
\$ 30.7 to \$31.1

FY 2024
\$126.0 to \$128.0



Adj. EBITDA Margin

Q2'24
6% to 8%

FY 2024
8% to 10%

NOTES: The above financial information guidance for Q2 of 2024 and fiscal year 2024 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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Q&A

Institutional Investor Events

- May 9: Oppenheimer Emerging Growth Conference
- May 14: Needham Technology, Media & Consumer Conference
- May 29: Craig-Hallum Institutional Investor Conference

Thank You!

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.
- **“Customer”** means a customer at the end of any period as a distinct end user, as identified by a unique account identifier, which makes up substantially all of our user base. In Q4 2023, we refined our customer definition to include end-user customers that purchase through a reseller. This resulted in no impact to previously reported metrics other than a 1% decrease to the 120% NRR metric reported for Q3 2023.

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.
- **Non-GAAP Net Income (Loss)** We define non-GAAP net income (loss) as net income adjusted to exclude stock-based compensation and other items we deem non-recurring. We believe that non-GAAP net income (loss), 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.
- **Adjusted Gross Profit (and Margin)** We define adjusted gross margin as gross profit, exclusive of stock-based compensation expense, depreciation expense of our property and equipment, and amortization expense of capitalized internal-use software included within cost of revenue, as a percentage of adjusted gross profit to revenue. We exclude stock-based compensation, which is a non-cash item, because we do not consider it indicative of our core operating performance. We exclude depreciation expense of our property and equipment and amortization expense of capitalized internal-use software, because these may not reflect current or future cash spending levels to support our business. We believe adjusted gross margin provides consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as this metric eliminates the effects of depreciation and amortization

Reconciliation of Non-GAAP Measures: Gross Margin

Adjusted Gross Profit	Q1'24	Q1'23
Gross Profit	\$15.811	\$10.969
Gross Margin	53%	47%
Adjustments for Cost of Revenue:		
Stock Based Compensation	0.386	0.416
Depreciation and Amortization	6.774	5.570
Adjusted Gross Profit	\$22.971	\$16.955
Adjusted Gross Margin	77%	72%

Dollars in Millions

Reconciliation of Non-GAAP Measures: Net Income

	Q1'24	Q1'23
Net Loss	\$(11.053)	\$(17.113)
Net Loss Margin	-37%	-73%
Adjustments:		
Total Stock Based Compensation	5.529	5.703
Severance	—	2.457
Non-GAAP Net Income (Loss)	\$(5.524)	\$(8.953)
Non-GAAP Net Income Margin	-18%	-38%
Non-GAAP Diluted Shares	40.225	33.923
Non-GAAP Net Loss per Diluted Share	\$(0.14)	\$(0.26)

Dollars and Shares in Millions

Reconciliation of Non-GAAP Measures: Adjusted EBITDA

	Q1'24	Q1'23
Net Loss	\$(11.053)	\$(17.113)
Net Loss Margin	-37%	-73%
Adjustments:		
Total Depreciation & Amortization	6.912	5.733
Total Stock Based Compensation	5.529	5.703
Net Interest Expense	0.537	0.313
Income tax provision	.006	—
Settlement	—	—
Non-recurring professional services	—	2.457
Adjusted EBITDA	\$1.931	\$(2.907)
Adjusted EBITDA Margin	6%	-12%

Dollars in Millions