



Citizens JMP Tech Conference



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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, Adjusted EBITDA Margin and Adjusted Free Cash Flow. 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, non-GAAP Operating Expenses and Adjusted Free Cash Flow to the most directly comparable GAAP financial measures.



Our Mission

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

NASDAQ: BLZE



Backblaze by the Numbers

\$118B

2028 TAM

Public Cloud Infrastructure-as-a-Service Storage

\$137M

Q4 Total ARR

~98% Recurring Revenue

~500k

Q4 Paying Customers

175+ Countries

123%

Q4 Net Revenue Retention

B2 Cloud Storage

+22%

Q4 Y/Y ARR Growth

B2 Cloud Storage

14%

Q4 Adj. EBITDA Margin

More Than Double The Prior Year

Notes: IDC Worldwide Public Cloud Infrastructure-as-a-Service Forecast, 2024–2028 estimates a \$118B cloud storage market in 2028. Total ARR dollars, paying customers and Adj. EBITDA Margin for total Company, ARR growth percentage and Net Revenue Retention percentage for B2 Cloud Storage business is as of December 31, 2024, with year-over-year revenue comparisons to the same period as of December 31, 2023, and are based on unaudited financial information. Annual Recurring Revenue (ARR), Net Revenue Retention and Adj. EBITDA Margin are defined in the appendix.

Our Cloud Services



B2 Cloud Storage

On-demand Storage for Applications, Backup, Security, AI and More

- Always-hot, performant and S3-compatible
- Enterprise-ready security and compliance
- As low as 1/5 the cost of AWS S3 with 3x free egress



Computer Backup

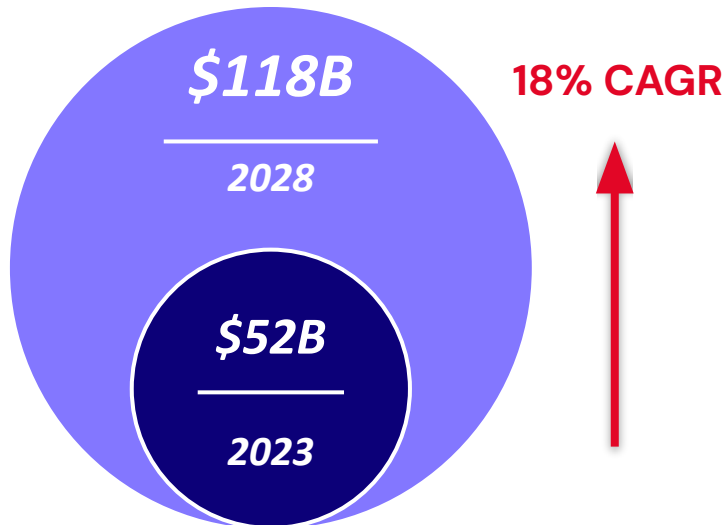
Unlimited Cloud Backup that Scales from Individuals to Enterprises

- Back up Macs, PCs, laptops and desktops
- Administer one or thousands of computers
- Ransomware, accident and hardware failure protection



Data Drives Massive TAM





Public Cloud Infrastructure-as-a-Service Storage



- Companies are growing data everyday
- Almost nothing is ever deleted (e.g., Legal Hold)
- Everyone needs to store / use / protect data
- Adoption of AI and GenAI training is booming

Note: \$118B Public Cloud Infrastructure-as-a-Service Storage market based on IDC Worldwide Public Cloud Infrastructure-as-a-Service Forecast, 2024-2028.

Dramatically Easier and More Affordable, Usually ~80% Lower Priced

Provider	Storage (\$/TB/Month)	Egress (\$/GB)
 Backblaze B2	\$6	Free to 3x stored
 S3	\$24+	\$0.05+
 Microsoft Azure	\$19+	\$0.04+
 Google Cloud	\$23	\$0.08+



“We launched S3 as simple but I’m not convinced it’s simple anymore”

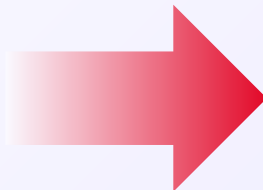
— Amazon CTO, Werner Vogels, April 2021, to The Next Platform

Notes: Competitor pricing estimate is based on published rates for competitor offering. Competitor rates may vary by region, amount stored, product and service tiers, and other factors. Backblaze download fees are free up to 3x of monthly data stored, then \$0.01/GB for additional download. This chart features published rates for comparable offerings in the U.S. West region. Competitor storage rates vary by region, amount stored, product and service tiers, and other factors.



Customers Want Best-of-Breed

Cloud 1.0
Walled Gardens



Cloud 2.0
Specialized Open Clouds



*Backblaze makes it free and
easy to use your data*



Key Q4'24 Earnings Highlights

- Strong early results from Go-to-Market Transformation
- AI tailwind benefit
 - Hundreds of AI customers on the platform now
 - 3 of the Top 10 customers as of Dec 2024 are AI customers
- B2 30%+ year over year growth by Q4'25
- Adjusted FCF positive by Q4'25

NOTES: "AI customer" determination is based on customer self-identification. "3 of the Top 10 customers are AI customers" is based on revenue per customer in the month of December 2024. "30%+ B2 growth" is based on comparison of projected B2 revenue in Q4 of 2025 compared to actual B2 revenue in Q4 of 2024. "Adjusted FCF positive by Q4'25" reflects estimated Adjusted Free Cash Flow to be positive (i.e., greater than zero) for Q4 of 2025. The estimated 30%+ B2 growth rate and Adjusted Free Cash Flow positive for Q4 of 2025 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. Please refer to the definition of Adjusted Free Cash Flow in the Appendix. A reconciliation of non-generally accepted accounting principles (GAAP) guidance measures to corresponding GAAP measures for estimated future results 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.



Go-to-Market Transformation Underway

Initiatives

- Upskill the Sales Team
- Deepen Partnerships
- Execute Core Sales Plays

Q4'24 Proof Points

- Closed Record Sales Bookings
- Doubled Sales Productivity Y/Y
- Exceeded Quota for the Qtr and FY
- Won an Over \$1 million ACV Customer
- Achieved record B2 Net New ARR Sequential Dollar Organic Growth

NOTES: "Closed Record Sales Bookings" reflects the highest amount of customer contractual commitments for B2 in Company history in Q4 of 2024. "Doubled Sales Productivity Y/Y" reflects the average ARR (Annual Recurring Revenue) for B2 per sales representative for the quarter ended December 31, 2024 compared to December 31, 2023. "Exceeded Quota for the Qtr and FY" reflects the customer contractual commitments or qualified pay-as-you-go arrangements for B2 for each of the quarter and year ended December 31, 2024 exceeded the respective internal quota B2 sales booking targets for such periods. "Won an Over \$1 million ACV Customer" reflects estimated annual revenue based on annual contract value. "Achieved record B2 Net New ARR Sequential Dollar Organic Growth" reflects the highest increase of B2 organic ARR growth (excluding the estimated impact of any price increases) on a quarterly sequential basis since the Company's IPO in November 2021. All financial information is based on unaudited financial data. Please see the definition for ARR in the Appendix.



AI Tailwinds Accelerates

- 3 of our top 10 customers in December 2024
- 65% increase in AI customers Y/Y
- Serving hundreds of AI customers

Data Stored by
AI Companies
Grew

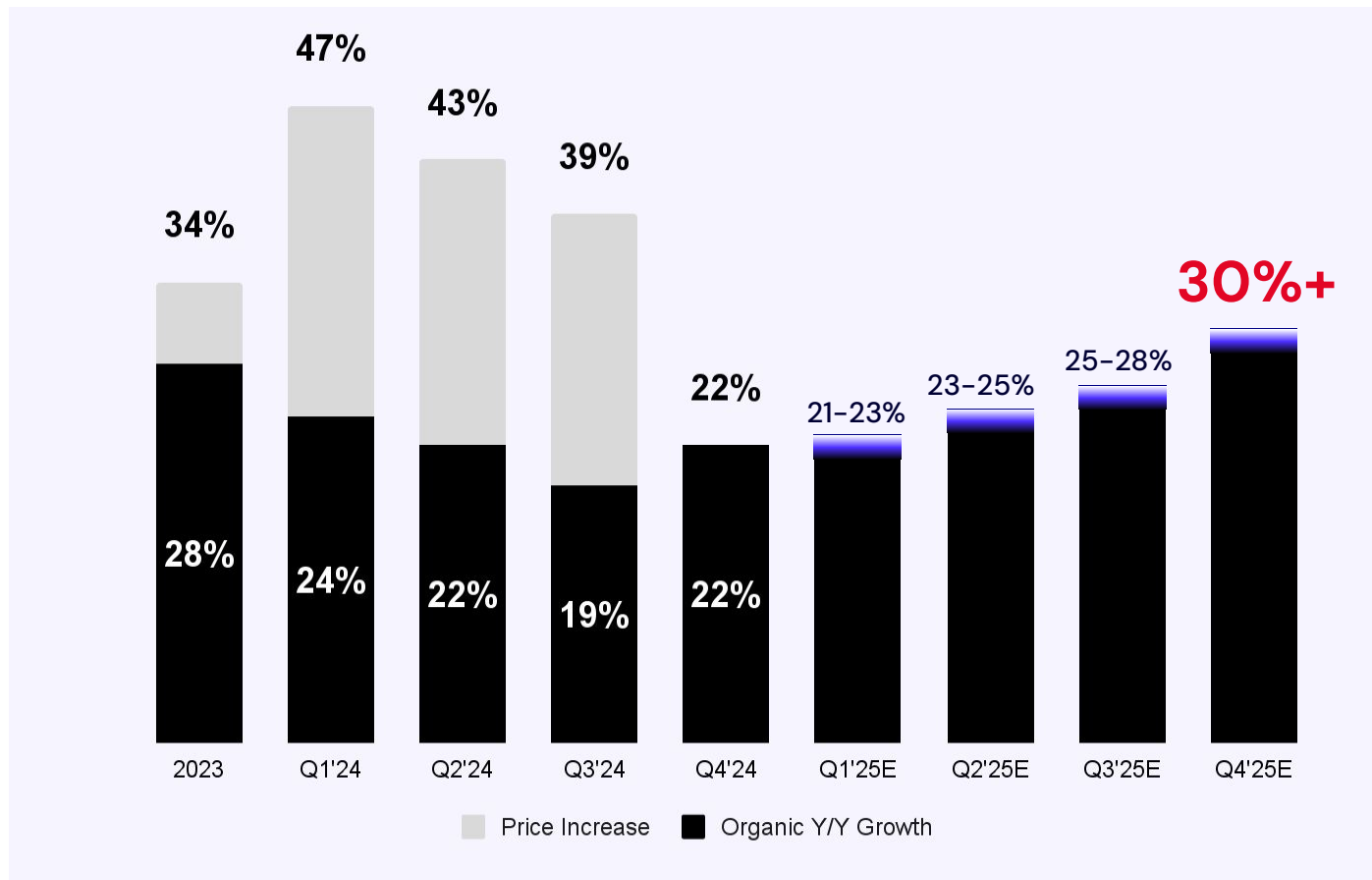
~10x

Year Over Year

NOTES: "AI customer" determination is based on customer self-identification. "3 of the Top 10 customers are AI customers" is based on revenue per customer in the month of December 2024. 65% increase in AI customers reflects comparison of number of AI customers in Q4 of 2024 compared to Q4 of 2023. "Serving hundreds of AI customers" reflects number of AI customers as of December 31, 2024. "~10x year over year" growth of data stored by AI customers reflects a comparison of the total amount of stored data by customers identified as an AI company as of December 31, 2024 compared to December 31, 2023. The financial information presented above is based on unaudited financial data.



The B2 Growth Journey

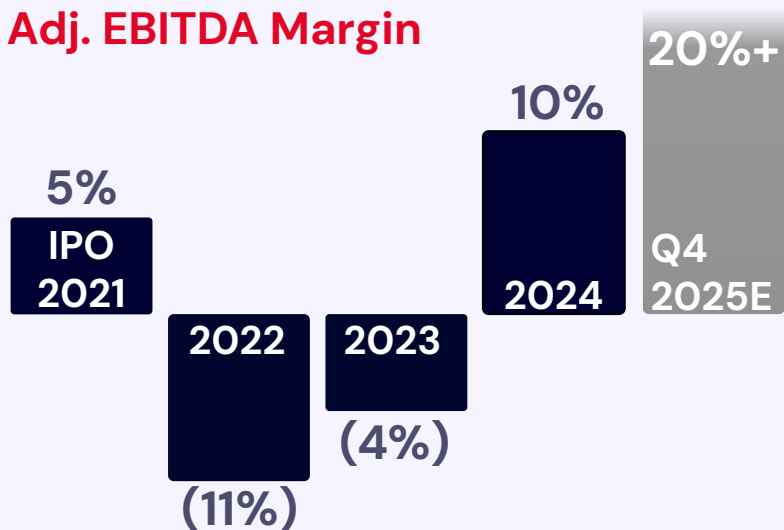


NOTES: The financial information for 2023 and each quarter of 2024 reflects the total B2 revenue growth compared to the respective prior period a year ago and the approximate percentage of B2 revenue growth on a pro forma basis without the price increase, and is based on unaudited financial data. The estimated range of organic B2 growth for each quarter of 2025 is a year-over-year comparison to the respective prior period and 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.

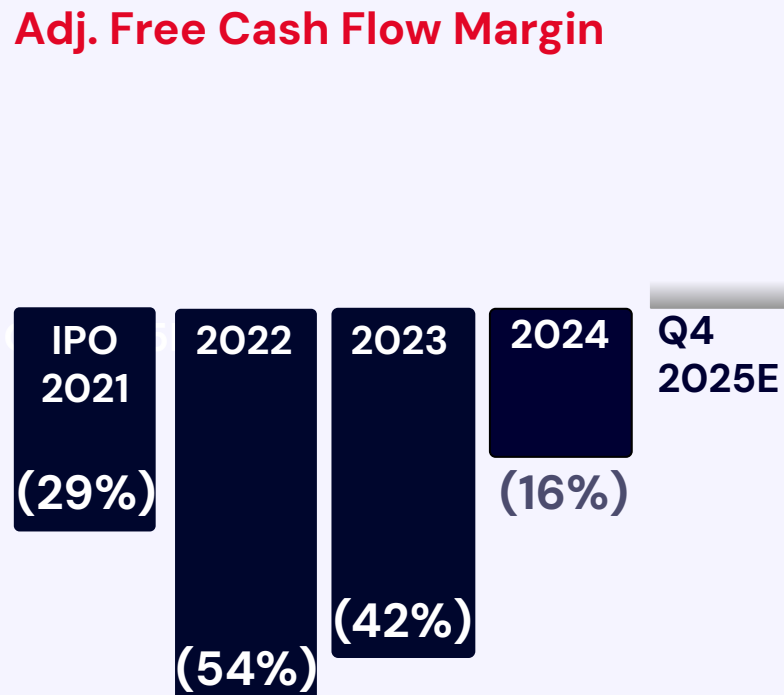


On The Path to Positive Adj. Free Cash Flow

Adj. EBITDA Margin



Adj. Free Cash Flow Margin



NOTES: Adjusted EBITDA and Adjusted Free Cash Flow margins are shown for the years ending December 31, 2021, 2022, 2023 and 2024 and are based on audited financial data. The estimated Q4 2025E Adjusted EBITDA and Adjusted Free Cash Flow margins are forward-looking statements and 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. Please refer to the definitions of Adjusted EBITDA margins and Adjusted Free Cash Flow in the Appendix. A reconciliation of non-generally accepted accounting principles (GAAP) guidance measures to corresponding GAAP measures for historical results is provided in the Appendix to this presentation. A reconciliation for estimated future results 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.



Q&A



Thank You!



Appendix



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 adjusted to exclude depreciation and amortization, stock-based compensation, interest expense, investment income, income tax provision, realized and unrealized gains and losses on foreign currency transactions, impairment of long-lived assets, and other non-recurring charges. 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.
- **Adjusted Free Cash Flow** We define adjusted free cash flow as net cash provided by (used in) operating activities less purchases of property and equipment, capitalized internal-use software costs, principal payments on finance leases and lease financing obligations, as reflected in our consolidated statements of cash flows, and excluding restructuring costs, legal settlement costs, and other non-recurring charges.
- **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

	Q4'24	Q4'23
Adjusted Gross Profit		
Gross Profit	\$18.503	\$15.084
Gross Margin	55%	52%
Adjustments for Cost of Revenue:		
Stock Based Compensation	0.398	0.530
Depreciation and Amortization	6.917	6.439
Restructuring Charges	0.460	—
Adjusted Gross Profit	\$26.278	\$22.053
Adjusted Gross Margin	78%	77%

Dollars in Millions



Reconciliation of Non-GAAP Measures: Net Income

	Q4'24	Q4'23
Net Loss	\$(14.377)	\$(12.208)
Net Loss Margin	-43%	-42%
Adjustments:		
Total Stock Based Compensation	6.609	6.507
Foreign Exchange (gain) loss	-0.127	0.065
Non-recurring Professional Services	—	0.129
Restructuring Charges	4.861	—
Non-GAAP Net Income (Loss)	\$(3.034)	\$(5.507)
Non-GAAP Net Income Margin	-9%	-19%
Non-GAAP Diluted Shares	48.212	38.254
Non-GAAP Net Loss per Diluted Share	\$(0.06)	\$(0.14)

Dollars and Shares in Millions



Reconciliation of Non-GAAP Measures: Adjusted EBITDA

	Q4'24	Q4'23
Net Loss	\$(14.377)	\$(12.208)
Net Loss Margin	-43%	-42%
Adjustments:		
Total depreciation & amortization	7.060	6.575
Total stock based compensation	6.609	6.507
Interest expense and investment income	0.605	0.583
Non-recurring professional services	—	.129
Foreign exchange loss (gain)	-0.127	0.065
Restructuring charges	4.861	—
Adjusted EBITDA	\$4.631	\$1.651
Adjusted EBITDA Margin	14%	6%

Dollars in Millions



Reconciliation of Non-GAAP Measures: Adjusted Free Cash Flow

	Q4'24	Q4'23
Net Cash Provided by (Used In) Operating Activities	\$2.233	\$3.248
Capital Expenditures	(3.062)	(4.101)
Principal Payments on Finance Leases and Lease Financing Obligations	(4.748)	(4.632)
Non-recurring Professional Services	—	0.129
Cash payments for workforce reduction and severance charges	1.049	—
Adjusted Free Cash Flow	(\$4.528)	(\$5.356)
Adjusted Free Cash Flow Margin	-13%	-19%

Dollars in Millions