UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended January 31, 2022
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 001-38675

Elastic N.V.

The Netherlands		**Not Applicable**
(State or other jurisdiction of incorporation or organization)		**(I.R.S. Employer Identification No.)**

800 West El Camino Real, Suite 350
Mountain View, California 94040
(Address of principal executive offices)
(650) 458-2620
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary shares, Par Value €0.01 Per Share	**ESTC**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer
Non-accelerated filer	☐	Smaller reporting company
		Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of February 28, 2022, the registrant had 93,468,991 ordinary shares, €0.01 par value per share, outstanding.

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NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which statements involve substantial risk and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "might," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- our future financial performance, including our expectations regarding our revenue, cost of revenue, gross profit or gross margin, operating expenses (which include changes in sales and marketing, research and development and general and administrative expenses), and our ability to achieve and maintain future profitability;
- our ability to continue to deliver and improve our offerings and successfully develop new offerings, including hosted offerings and security-related product offerings;
- customer acceptance and purchase of our existing offerings and new offerings, including the expansion and adoption of our hosted offerings;
- the impact of Russia's invasion of Ukraine on the businesses of our customers and partners, including their spending priorities;
- the impact of the 2019 coronavirus disease, including any current and future variants thereof ("COVID-19"), on our business, operations, hiring and financial results, and on the businesses of our customers and partners, including their spending priorities, the effect of governmental lockdowns, restrictions, new regulations and vaccine distribution and efficacy;
- the impact of changes to our licensing of our products, specifically Elasticsearch and Kibana;
- our assessments of the strength of our solutions and products;
- our service performance and security, including the resources and costs required to prevent, detect and remediate potential security breaches or incidents, including by bad actors;
- our ability to maintain and expand our user and customer base;
- the market for our products continuing to develop;
- competition from other products and companies with more resources, recognition and presence in our industry;
- the impact of foreign currency exchange rate and interest rate fluctuations on our results;
- the pace of change and innovation in the markets in which we participate and the competitive nature of those markets;
- our business strategy and our plan to build our business;
- our ability to effectively manage our growth, including any changes to our pace of hiring;
- our international expansion strategy;
- our operating results and cash flows;
- our strategy of acquiring complementary businesses and our ability to successfully integrate acquired businesses and technologies;
- the impact of acquisitions on our future product offerings;
- our beliefs and objectives for future operations;
- our relationships with and reliance on third parties, including partners;
- our ability to protect our intellectual property rights;
- our ability to develop our brands;
- the impact of expensing stock options and other equity awards;
- the sufficiency of our capital resources;
- our ability to successfully defend litigation brought against us;

- our ability to successfully execute our go-to-market strategy, including the positioning of our solutions and products, and expand in our existing markets and into new markets;
- sufficiency of cash to meet cash needs for at least the next 12 months;
- our ability to comply with laws and regulations that currently apply or become applicable to our business both in the United States and internationally;
- our ability to attract and retain qualified employees and key personnel;
- our ability to onboard, provide training to and integrate new employees;
- the effect of the loss of key personnel;
- our expectations about the impact of natural disasters and public health epidemics and pandemics, on our business, results of operations and financial condition;
- expectations about seasonality;
- the future trading prices of our ordinary shares;
- our ability to service our debt obligations; and
- general market, political, economic and business conditions (including developments and volatility arising from the ongoing COVID-19 pandemic and the ongoing military conflict between Russia and Ukraine).

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in the section titled "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. Any additional or unforeseen effect from the ongoing COVID-19 pandemic may exacerbate these risks. We cannot assure that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which such statements are made. We undertake no obligation to update any forward-looking statements after the date of this Quarterly Report on Form 10-Q or to conform such statements to actual results or revised expectations, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Elastic N.V.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)
(unaudited)

	As of January 31, 2022	As of April 30, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 864,363	$ 400,814
Restricted cash	3,928	2,894
Accounts receivable, net of allowance for credit losses of $2,729 and $2,344 as of January 31, 2022 and April 30, 2021, respectively	146,218	160,415
Deferred contract acquisition costs	38,938	36,089
Prepaid expenses and other current assets	39,405	37,002
Total current assets	1,092,852	637,214
Property and equipment, net	6,739	8,881
Goodwill	304,155	198,851
Operating lease right-of-use assets	21,454	25,464
Intangible assets, net	49,948	36,286
Deferred contract acquisition costs, non-current	62,980	50,263
Deferred tax assets	3,765	3,697
Other assets	17,403	12,516
Total assets	$ 1,559,296	$ 973,172
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 21,792	$ 7,248
Accrued expenses and other liabilities	42,110	28,909
Accrued compensation and benefits	56,181	52,525
Operating lease liabilities	8,983	8,528
Deferred revenue	362,287	352,805
Total current liabilities	491,353	450,015
Deferred revenue, non-current	33,395	44,895
Long-term debt, net	566,271	—
Operating lease liabilities, non-current	14,879	19,649
Other liabilities, non-current	21,089	7,782
Total liabilities	1,126,987	522,341
Commitments and contingencies (Note 8 and 9)		
Shareholders' equity:		
Convertible preference shares, €0.01 par value; 165,000,000 shares authorized, 0 shares issued and outstanding as of January 31, 2022 and April 30, 2021	—	—
Ordinary shares, par value €0.01 per share: 165,000,000 shares authorized; 93,420,927 and 90,533,985 shares issued and outstanding as of January 31, 2022 and April 30, 2021, respectively	982	948
Treasury stock	(369)	(369)
Additional paid-in capital	1,197,570	1,071,675
Accumulated other comprehensive loss	(14,318)	(8,105)
Accumulated deficit	(751,556)	(613,318)
Total shareholders' equity	432,309	450,831
Total liabilities and shareholders' equity	$ 1,559,296	$ 973,172

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Elastic N.V.

Condensed Consolidated Statements of Operations

(in thousands, except share and per share data)

(unaudited)

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
Revenue				
License - self-managed	$ 20,119	$ 15,280	$ 54,457	$ 45,673
Subscription - self-managed and SaaS	189,495	131,969	522,599	357,127
Total subscription revenue	209,614	147,249	577,056	402,800
Professional services	14,330	9,866	45,963	28,079
Total revenue	223,944	157,115	623,019	430,879
Cost of revenue				
Cost of license - self-managed	501	346	1,242	1,039
Cost of subscription - self-managed and SaaS	47,076	31,426	126,097	86,464
Total cost of revenue - subscription	47,577	31,772	127,339	87,503
Cost of professional services	13,707	10,196	37,491	27,744
Total cost of revenue	61,284	41,968	164,830	115,247
Gross profit	162,660	115,147	458,189	315,632
Operating expenses				
Research and development	71,749	51,400	194,894	143,766
Sales and marketing	105,069	71,087	288,055	191,712
General and administrative	31,691	27,121	89,298	72,555
Total operating expenses	208,509	149,608	572,247	408,033
Operating loss	(45,849)	(34,461)	(114,058)	(92,401)
Other income (expense), net				
Interest expense	(6,175)	(65)	(14,327)	(78)
Other income (expense), net	(861)	(2,312)	(509)	8,502
Loss before income taxes	(52,885)	(36,838)	(128,894)	(83,977)
Provision for income taxes	3,841	1,136	9,344	2,156
Net loss	$ (56,726)	$ (37,974)	$ (138,238)	$ (86,133)
Net loss per share attributable to ordinary shareholders, basic and diluted	$ (0.61)	$ (0.43)	$ (1.50)	$ (1.00)
Weighted-average shares used to compute net loss per share attributable to ordinary shareholders, basic and diluted	93,015,185	88,341,038	92,140,919	86,296,028

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Elastic N.V.

Condensed Consolidated Statements of Comprehensive Loss

(in thousands)

(unaudited)

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
Net loss	$ (56,726)	$ (37,974)	$ (138,238)	$ (86,133)
Other comprehensive loss:				
Foreign currency translation adjustments	(4,937)	3,346	(6,213)	(7,190)
Other comprehensive loss	(4,937)	3,346	(6,213)	(7,190)
Total comprehensive loss	$ (61,663)	$ (34,628)	$ (144,451)	$ (93,323)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Elastic N.V.

Condensed Consolidated Statements of Shareholders' Equity

(in thousands, except share data)

(unaudited)

	Ordinary Shares		Treasury Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount					
Balances at October 31, 2021	92,566,025	$ 972	$ (369)	$ 1,153,408	$ (9,381)	$ (694,830)	$ 449,800
Issuance of ordinary shares upon exercise of stock options	473,442	6	—	6,703	—	—	6,709
Issuance of ordinary shares upon release of restricted stock units	381,460	4	—	(4)	—	—	—
Stock-based compensation	—	—	—	37,463	—	—	37,463
Net loss	—	—	—	—	—	(56,726)	(56,726)
Foreign currency translation	—	—	—	—	(4,937)	—	(4,937)
Balances at January 31, 2022	93,420,927	$ 982	$ (369)	$ 1,197,570	$ (14,318)	$ (751,556)	$ 432,309

	Ordinary Shares		Treasury Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount					
Balances at October 31, 2020	87,204,991	$ 908	$ (369)	$ 986,076	$ (11,914)	$ (532,043)	$ 442,658
Issuance of ordinary shares upon exercise of stock options	2,157,149	26	—	22,298	—	—	22,324
Issuance of ordinary shares upon release of restricted stock units	282,800	3	—	(3)	—	—	—
Stock-based compensation	—	—	—	25,227	—	—	25,227
Net loss	—	—	—	—	—	(37,974)	(37,974)
Foreign currency translation	—	—	—	—	3,346	—	3,346
Balances at January 31, 2021	89,644,940	$ 937	$ (369)	$ 1,033,598	$ (8,568)	$ (570,017)	$ 455,581

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Elastic N.V.

Condensed Consolidated Statements of Shareholders' Equity

(in thousands, except share data)

(unaudited)

	Ordinary Shares		Treasury Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount					
Balances at April 30, 2021	90,533,985	948	(369)	1,071,675	(8,105)	(613,318)	450,831
Fair value of replacement equity awards attributable to pre-acquisition service	—	—	—	1,266	—	—	1,266
Issuance of ordinary shares upon exercise of stock options	2,004,188	24	—	27,516	—	—	27,540
Issuance of ordinary shares upon release of restricted stock units	882,754	10	—	(10)	—	—	—
Stock-based compensation	—	—	—	97,123	—	—	97,123
Net loss	—	—	—	—	—	(138,238)	(138,238)
Foreign currency translation	—	—	—	—	(6,213)	—	(6,213)
Balances at January 31, 2022	93,420,927	$ 982	$ (369)	$ 1,197,570	$ (14,318)	$ (751,556)	$ 432,309

	Ordinary Shares		Treasury Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount					
Balances at April 30, 2020	82,856,978	$ 856	$ (369)	$ 898,788	$ (1,377)	$ (484,251)	$ 413,647
Cumulative effect of accounting change	—	—	—	—	—	367	367
Issuance of ordinary shares upon exercise of stock options	6,192,264	73	—	67,481	—	—	67,554
Issuance of ordinary shares upon release of restricted stock units	595,698	8	—	(8)	—	—	—
Stock-based compensation	—	—	—	64,634	—	—	64,634
Reclassification of liability-classified awards	—	—	—	2,703	—	—	2,703
Net loss	—	—	—	—	—	(86,133)	(86,133)
Foreign currency translation	—	—	—	—	(7,191)	—	(7,191)
Balances at January 31, 2021	89,644,940	$ 937	$ (369)	$ 1,033,598	$ (8,568)	$ (570,017)	$ 455,581

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Elastic N.V.

Condensed Consolidated Statements of Cash Flows

(in thousands)

(unaudited)

	Nine Months Ended January 31,	
	2022	2021
Cash flows from operating activities		
Net loss	$ (138,238)	$ (86,133)
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation and amortization	14,558	12,856
Amortization of deferred contract acquisition costs	43,373	28,455
Amortization of debt issuance costs	554	—
Non-cash operating lease cost	6,259	5,256
Stock-based compensation expense, net of amounts capitalized	96,971	65,305
Deferred income taxes	(219)	(288)
Foreign currency transaction (gain) loss	1,707	(9,463)
Other	98	11
Changes in operating assets and liabilities:		
Accounts receivable, net	9,801	15,246
Deferred contract acquisition costs	(61,234)	(54,612)
Prepaid expenses and other current assets	(2,650)	4,817
Other assets	(803)	5,237
Accounts payable	14,452	(6,321)
Accrued expenses and other liabilities	17,539	1,696
Accrued compensation and benefits	4,686	(5,859)
Operating lease liabilities	(6,438)	(5,402)
Deferred revenue	8,306	53,309
Net cash provided by operating activities	8,722	24,110
Cash flows from investing activities		
Purchases of property and equipment	(987)	(2,732)
Capitalization of internal-use software	(4,227)	—
Business acquisitions, net of cash acquired	(119,854)	—
Other	—	1,320
Net cash used in investing activities	(125,068)	(1,412)
Cash flows from financing activities		
Proceeds from the issuance of debt	575,000	—
Proceeds from issuance of ordinary shares upon exercise of stock options	27,540	67,554
Payments of debt issuance costs	(9,283)	—
Net cash provided by financing activities	593,257	67,554
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(12,328)	5,848
Net increase in cash, cash equivalents, and restricted cash	464,583	96,100
Cash, cash equivalents, and restricted cash, beginning of period	403,708	299,389
Cash, cash equivalents, and restricted cash, end of period	$ 868,291	$ 395,489
Supplemental disclosures of cash flow information		
Cash paid for interest	$ 12,785	$ —
Cash paid for operating lease liabilities	$ 7,346	$ 6,628
Cash paid (refund received) for income taxes	$ 3,059	$ (1,217)
Supplemental disclosures of non-cash investing and financing information		
Property and equipment included in accounts payable	$ 30	$ 175
Acquisition-related indemnity holdback	$ 6,000	$ —
Operating lease right-of-use assets for new lease obligations	$ 2,440	$ 1,120

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Elastic N.V.

Notes to Condensed Consolidated Financial Statements

(*unaudited)*

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1. Organization and Description of Business

Elastic N.V. (“Elastic” or the “Company”) was incorporated under the laws of the Netherlands in 2012. Elastic is a search company. It created the Elastic Stack, a powerful set of software products that ingest and store data from any source and in any format, and perform search, analysis, and visualization in milliseconds or less. Developers build on top of the Elastic Stack to apply the power of search to their data and solve business problems. The Company also offers software solutions built on the Elastic Stack: Enterprise Search, Observability, and Security. The Elastic Stack and the Company’s solutions are designed to run in public or private clouds, in hybrid environments, or in traditional on-premises environments.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying interim condensed consolidated balance sheet as of January 31, 2022, the interim condensed consolidated statements of operations and of comprehensive loss, interim condensed statements of shareholders’ equity for the three and nine months ended January 31, 2022 and 2021 and the interim condensed consolidated statements of cash flows for the nine months ended January 31, 2022 and 2021, are unaudited. These interim condensed consolidated financial statements have been prepared on a basis consistent with the annual consolidated financial statements and, in the opinion of management, include all adjustments necessary to fairly state the Company’s financial position as of January 31, 2022, and the results of the Company’s operations, its statements of shareholders’ equity for the three and nine months ended January 31, 2022 and 2021, and its statements of cash flows for the nine months ended January 31, 2022 and 2021. The financial data and other financial information disclosed in the notes to these interim condensed consolidated financial statements related to the three and nine month periods are also unaudited. The results for the nine months ended January 31, 2022 are not necessarily indicative of the operating results expected for the fiscal year ending April 30, 2022, or any future period.

The unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and include the financial statements of the Company and its wholly-owned subsidiaries. All intercompany transactions and accounts have been eliminated in consolidation.

Certain information and note disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to the applicable rules and regulations of the Securities and Exchange Commission (“SEC”). Therefore, these unaudited interim condensed consolidated financial statements and accompanying footnotes should be read in conjunction with the Company’s annual consolidated financial statements and related footnotes included in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2021 filed with the SEC on June 25, 2021 (“the Company's Annual Report on Form 10-K”).

Fiscal Year

The Company’s fiscal year ends on April 30. References to fiscal 2022, for example, refer to the fiscal year ending April 30, 2022.

Use of Estimates and Judgments

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Such estimates include, but are not limited to, allocation of revenue between recognized and deferred amounts, deferred contract acquisition costs, allowance for credit losses, valuation of stock-based compensation, fair value of ordinary shares in periods prior to the Company’s initial public offering, fair value of acquired intangible assets and goodwill, useful lives of acquired intangible assets and property and equipment, whether an arrangement is or contains a lease, the discount rate used for operating leases and valuation allowance for deferred income taxes. The Company bases these estimates on historical and anticipated results, trends and various other assumptions that it believes are reasonable under the circumstances, including assumptions as to future events.

In March 2020, the World Health Organization declared COVID-19 a pandemic. The pandemic has resulted in a global slowdown of economic activity that is likely to decrease demand for a broad variety of goods and services, including from certain of the Company’s customers, while also disrupting sales channels and marketing activities for an unknown period of time. The full extent to which COVID-19 may impact the Company’s financial condition or results of operations is uncertain.

Estimates and assumptions about future events and their effects cannot be determined with certainty and therefore require the exercise of judgment. As of the date of issuance of these financial statements, the Company is not aware of any

specific event or circumstance that would require the Company to update its estimates, judgments or revise the carrying value of the Company's assets or liabilities. These estimates may change, as new events occur and additional information is obtained, and are recognized in the consolidated financial statements as soon as they become known. Actual results could differ from those estimates and any such differences may be material to the Company's financial statements.

Significant Accounting Policies

Other than as described below, there have been no changes to the Company's significant accounting policies described in the Company's Annual Report on Form 10-K that have had a material impact on its consolidated financial statements and related notes.

Debt Issuance Costs

Costs incurred in connection with the issuance of debt are deferred and amortized as interest expense over the term of the related debt using the effective interest method. To the extent that the debt is outstanding, these amounts are reflected in the consolidated balance sheets as direct deductions from the carrying amount of the outstanding borrowings.

Recently Adopted Accounting Pronouncements

Income Taxes: In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, eliminating certain exceptions to the general principles in ASC 740 related to intra-period tax allocation, deferred tax liability and general methodology for calculating income taxes. Additionally, the ASU makes other changes for matters such as franchise taxes that are partially based on income, transactions with a government that result in a step up in the tax basis of goodwill, separate financial statements of legal entities that are not subject to tax, and enacted changes in tax laws in interim periods. The new guidance becomes effective for the Company for the fiscal year ending April 30, 2022. Early adoption is permitted. The Company's adoption of this ASU had no material impact on the Company's condensed consolidated financial statements.

New Accounting Pronouncements Not Yet Adopted

Acquisitions: In October 2021, the FASB issued ASU No. 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, improving consistency in accounting for acquired revenue contracts with customers in a business combination by requiring that acquirers apply ASC Topic 606 to recognize contract assets and contract liabilities as if it had originated the contracts. If the acquiree prepared its financial statements in accordance with GAAP, the resulting acquired contract assets and liabilities should generally be consistent with acquiree's financial statements. The new guidance becomes effective for the Company for the fiscal year ending April 30, 2024. Early adoption is permitted. The Company does not expect the adoption of the new accounting standard to have a material impact on its consolidated financial statements.

3. Revenue and Remaining Performance Obligations

Disaggregation of Revenue

The following table presents revenue by product category (in thousands):

	Three Months Ended January 31,				Nine Months Ended January 31,			
	2022		2021		2022		2021	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue
Elastic Cloud	$ 80,402	36 %	$ 44,929	29 %	$ 210,963	34 %	$ 114,984	27 %
Other subscription	129,212	58 %	102,320	65 %	366,093	59 %	287,816	66 %
Total subscription revenue	209,614	94 %	147,249	94 %	577,056	93 %	402,800	93 %
Professional services	14,330	6 %	9,866	6 %	45,963	7 %	28,079	7 %
Total revenue	$ 223,944	100 %	$ 157,115	100 %	$ 623,019	100 %	$ 430,879	100 %

During the first quarter of fiscal 2022, the Company updated its disaggregation of revenue breakdown to present revenue by product category. The prior period presentation for the three and nine months ended January 31, 2021, has been updated to conform to the current period presentation.

Remaining Performance Obligations

As of January 31, 2022, the Company had $860.6 million of remaining performance obligations. As of January 31, 2022, the Company expects to recognize approximately 86% of its remaining performance obligations as revenue over the next 24 months and the remainder thereafter.

4. Fair Value Measurements

The Company measures financial assets and liabilities that are measured at fair value on a recurring basis at each reporting period using a fair value hierarchy that prioritizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Financial Assets

The following table summarizes assets that are measured at fair value on a recurring basis as of January 31, 2022 and April 30, 2021 (in thousands):

January 31, 2022	Level 1	Level 2	Level 3	Total
Financial Assets:				
Cash and cash equivalents:				
Money market funds	$ 559,337	$ —	—	$ 559,337
Short-term bank deposit	—	1,700	—	1,700
Total	$ 559,337	$ 1,700	$ —	$ 561,037

April 30, 2021	Level 1	Level 2	Level 3	Total
Financial Assets:				
Cash and cash equivalents:				
Money market funds	$ 175,007	—	—	$ 175,007

The Company considers all highly liquid investments, including money market funds with an original maturity of three months or less at the date of purchase, to be cash equivalents. The Company uses quoted prices in active markets for identical assets to determine the fair value of its Level 1 investments in money market funds. The Company classifies its short-term bank deposit within Level 2 because they are valued using inputs other than quoted prices that are directly or indirectly observable in the market, including readily available pricing sources for the identical underlying security which may not be actively traded.

Financial Liabilities

In July 2021, the Company issued $575.0 million aggregate principal amount of 4.125% Senior Notes due July 15, 2029 (the "Senior Notes") in a private placement. Based on the trading prices of the Senior Notes, the fair value of the Senior Notes as of January 31, 2022 was approximately $537.8 million. While the Senior Notes are recorded at cost, the fair value of the Senior Notes was determined based on quoted prices in markets that are not active; accordingly, the Senior Notes are categorized as Level 2 for purposes of the fair value measurement hierarchy.

5. Acquisitions

Nine months ended January 31, 2022

cmdWatch Security Inc.

On September 17, 2021, the Company acquired 100% of the share capital of cmdWatch Security Inc. ("Cmd") for a total purchase consideration of $77.8 million. The purchase consideration includes an amount of $13.4 million which is being held in an indemnity escrow fund for 18 months after the acquisition close date. Pursuant to the merger agreement, Cmd's vested stock options were paid in cash and unvested stock options held by Cmd employees were assumed by the Company. The fair value of the replacement equity awards associated with pre-acquisition service period of $4.3 million, consisting of

$3.0 million paid in cash to vested option holders and $1.3 million of non-cash consideration, was included in the total purchase consideration. Approximately $6.6 million of the fair value of replacement equity awards was allocated to post-acquisition services that will be recognized as stock-based compensation expense over the remaining service period and was excluded from the total purchase consideration. Additionally, an amount of $6.5 million for post-combination services, which is payable at future dates upon completion of the underlying required service period, has been excluded from the purchase consideration. This amount will be recorded as a post-combination expense over the requisite service period.

The acquisition was accounted for as a business combination in accordance with ASC 805, Business Combinations, and accordingly, the total purchase consideration was allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the acquisition date. The total preliminary purchase price allocated to developed technology and goodwill was $15.5 million and $59.0 million, respectively. The fair value assigned to developed technology was determined using the cost to recreate approach. The developed technology asset is being amortized on a straight-line basis over the useful life of 5 years, which approximates the pattern in which the developed technology is utilized. Goodwill resulted primarily from the expectation of enhancing the Company's current security solutions and is not deductible for income tax purposes.

Cmd has been included in the Company’s consolidated results of operations since the acquisition date. Pro forma and historical results of operations for this acquisition have not been presented because they were not material to the condensed consolidated results of operations.

Other Acquisitions

On September 2, 2021 and November 1, 2021, the Company acquired 100% of the share capital of Build Security Ltd. (“build.security”) and Optimyze.cloud Inc. (“Optimyze”), respectively, for a combined total purchase consideration of $57.2 million. The purchase consideration includes an amount of $5.4 million held in Indemnity escrow and $6.0 million held back by the Company for indemnity and will be released upon the 18-month anniversary of the respective acquisitions. These acquisitions were accounted for as business combinations. The total preliminary purchase price allocated to developed technology and goodwill was $9.8 million and $46.9 million, respectively. The developed technology intangible assets from these acquisitions are being amortized on a straight-line basis over a useful life of 5 years which approximates the pattern in which the respective developed technologies are utilized. Goodwill resulted primarily from the expectation of enhancing the Company's current security solutions and the value of the acquired workforce. This goodwill is not deductible for income tax purposes. Build.security and Optimyze have been included in the Company’s consolidated results of operations since their respective acquisition dates. Pro forma and historical results of operations for these acquisitions have not been presented because they were not material to the condensed consolidated results of operations.

Excluded from the combined purchase consideration from these two acquisitions is an amount of $6.3 million, payable in equal installments at the first and the second anniversary of each of the acquisitions, to certain employees of build.security and Optimyze. These amounts will be recorded as a post-combination expense over the requisite service periods.

The purchase price allocation for the acquisitions is preliminary and is based on the best estimates of management. The Company continues to collect information with regard to its estimates and assumptions, primarily related to intangible assets and certain tax-related, contingent liability and working capital items. The Company will record adjustments to the fair value of the assets acquired, liabilities assumed and goodwill within the 12 month measurement period, if necessary.

6. Balance Sheet Components

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	As of January 31, 2022	As of April 30, 2021
Prepaid hosting costs	$ 9,701	$ 11,122
Prepaid software subscription costs	7,656	5,636
Prepaid value added taxes	5,394	9,408
Deposits	2,538	2,410
Prepaid taxes	3,323	1,694
Other	10,793	6,732
Total prepaid expenses and other current assets	$ 39,405	$ 37,002

Property and Equipment, Net

The cost and accumulated depreciation of property and equipment were as follows (in thousands):

	Useful Life (in years)	As of January 31, 2022	As of April 30, 2021
Leasehold improvements	Lesser of estimated useful life or remaining lease term	$ 10,740	$ 10,342
Computer hardware and software	3	1,377	2,319
Furniture and fixtures	3 - 5	5,418	5,971
Assets under construction		345	707
Total property and equipment		17,880	19,339
Less: accumulated depreciation		(11,141)	(10,458)
Property and equipment, net		$ 6,739	$ 8,881

Depreciation expense related to property and equipment was $1.0 million and $0.8 million for the three months ended January 31, 2022 and 2021, respectively and $2.9 million and $2.2 million for the nine months ended January 31, 2022 and 2021, respectively.

Intangible Assets, Net

Intangible assets consisted of the following as of January 31, 2022 and April 30, 2021 (in thousands):

January 31, 2022	Gross Fair Value	Accumulated Amortization	Net Book Value	Weighted Average Remaining Useful Life (in years)
Developed technology	$ 70,130	$ 28,406	$ 41,724	3.5
Customer relationships	19,598	12,090	7,508	2.2
Trade names	2,872	2,160	712	2.2
Total	$ 92,600	$ 42,656	49,944	3.3
Foreign currency translation adjustment			4	
Total			$ 49,948	

April 30, 2021	Gross Fair Value	Accumulated Amortization	Net Book Value	Weighted Average Remaining Useful Life (in years)
Developed technology	$ 44,830	$ 20,850	$ 23,980	3.3
Customer relationships	19,598	8,382	11,216	2.4
Trade names	2,872	1,780	1,092	2.4
Total	$ 67,300	$ 31,012	36,288	3.0
Foreign currency translation adjustment			(2)	
Total			$ 36,286	

Amortization expense for the intangible assets for the three and nine months ended January 31, 2022 and 2021 was as follows (in thousands):

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
Cost of revenue—cost of license—self-managed	$ 501	$ 346	$ 1,242	$ 1,039
Cost of revenue—cost of subscription—self-managed and SaaS	2,545	1,764	6,314	5,289
Sales and marketing	1,231	1,428	4,088	4,302
Total amortization of acquired intangible assets	$ 4,277	$ 3,538	$ 11,644	$ 10,630

The expected future amortization expense related to the intangible assets as of January 31, 2022 was as follows (in thousands, by fiscal year):

Remainder of 2022	$ 4,147
2023	16,696
2024	13,985
2025	8,017
2026	5,057
2027	2,046
Total	$ 49,948

Goodwill

The following table represents the changes to goodwill (in thousands):

	Carrying Amount
Balance as of April 30, 2021	$ 198,851
Additions from acquisitions	105,904
Foreign currency translation adjustment	(600)
Balance as of January 31, 2022	$ 304,155

There was no impairment of goodwill during the nine months ended January 31, 2022 and 2021.

Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consisted of the following (in thousands):

	As of January 31, 2022	As of April 30, 2021
Accrued expenses	$ 27,281	$ 12,772
Value added taxes payable	5,258	8,493
Accrued interest on Senior Notes	989	—
Income taxes payable	3,519	1,596
Other	5,063	6,048
Total accrued expenses and other liabilities	$ 42,110	$ 28,909

Accrued Compensation and Benefits

Accrued compensation and benefits consisted of the following (in thousands):

	As of January 31, 2022	As of April 30, 2021
Accrued vacation	$ 25,532	$ 24,078
Accrued commissions	14,903	17,581
Accrued payroll taxes and withholding taxes	10,367	5,522
Other	5,379	5,344
Total accrued compensation and benefits	$ 56,181	$ 52,525

Contract Balances

The timing of revenue recognition may differ from the timing of invoicing to customers. For annual contracts, the Company typically invoices customers at the time of entering into the contract. For multi-year agreements, the Company generally invoices customers on an annual basis prior to each anniversary of the contract start date. The Company records unbilled accounts receivable related to revenue recognized in excess of amounts invoiced as the Company has an unconditional right to invoice and receive payment in the future related to those fulfilled obligations. Invoicing customers prior to performance creates a contract liability, deferred revenue, which is recognized in accordance with the Company's revenue recognition policy.

The following table provides information about unbilled accounts receivable, deferred contract acquisition costs and deferred revenue from contracts with customers (in thousands):

	As of January 31, 2022	As of April 30, 2021
Unbilled accounts receivable, included in accounts receivable, net	$ 7,305	$ 5,204
Deferred contract acquisition costs	$ 101,918	$ 86,352
Deferred revenue	$ 395,682	$ 397,700

Deferred Contract Acquisition Costs

Deferred contract acquisition costs represent costs that are incremental to the acquisition of customer contracts, which consist mainly of sales commissions and associated payroll taxes. The Company determines whether costs should be deferred based on sales compensation plans, if the commissions are in fact incremental and would not have occurred absent the customer contract.

The Company periodically reviews the carrying amount of deferred contract acquisition costs to determine whether events or changes in circumstances have occurred that could impact the period of benefit of these deferred costs. The Company did not recognize any impairment of deferred contract acquisition costs during the nine months ended January 31, 2022.

The following table summarizes the activity of the deferred contract acquisition costs (in thousands):

	Nine Months Ended January 31,	
	2022	2021
Beginning balance	$ 86,352	$ 43,549
Capitalization of contract acquisition costs	58,939	57,093
Amortization of deferred contract acquisition costs	(43,373)	(28,455)
Ending balance	$ 101,918	$ 72,187

Deferred Revenue

Significant changes in the deferred revenue balances were as follows (in thousands):

	Nine Months Ended January 31,	
	2022	2021
Beginning balance	$ 397,700	$ 259,702
Increases due to invoices issued, excluding amounts recognized as revenue during the period	312,581	274,292
Increase from acquisition, net of revenue recognized	1,001	—
Amounts transferred to deferred revenue from accrued expenses and other liabilities upon entering into contracts with customers, net of revenue recognized during the period	—	5,424
Revenue recognized that was included in deferred revenue balance at beginning of period	(315,600)	(205,408)
Ending balance	$ 395,682	$ 334,010

Allowance for Credit Losses

The following is a summary of the changes in the Company's allowance for credit losses (in thousands):

	Nine Months Ended January 31,	
	2022	2021
Beginning balance	$ 2,344	$ 1,247
Cumulative-effect adjustment from adoption of ASU 2016-13	—	(367)
Provision	2,449	3,441
Write-offs	(2,064)	(2,490)
Ending balance	$ 2,729	$ 1,831

7. Senior Notes

In July 2021, the Company issued $575.0 million aggregate principal amount of 4.125% Senior Notes due July 15, 2029 in a private placement.

Interest on the Senior Notes is payable semi-annually in arrears on January 15 and July 15 of each year, commencing on January 15, 2022. The Company received net proceeds from the offering of the Senior Notes of $565.7 million after deducting underwriting commissions of $7.2 million and incurred additional issuance costs of $2.1 million. Total debt issuance costs of $9.3 million are being amortized to interest expense using the effective interest method over the term of the Senior Notes. The Company may redeem the Senior Notes, in whole or in part, at any time prior to July 15, 2024 at a price equal to 100% of the principal amount thereof plus a "make-whole" premium and accrued and unpaid interest, if any. The Company may at its election redeem all or a part of the Senior Notes on or after July 15, 2024, on any one or more occasions, at the redemption prices set forth in the indenture governing the Senior Notes (the "Indenture"), plus, in each case, accrued and unpaid interest thereon, if any, to, but excluding, the applicable redemption date. In addition, at any time prior to July 15, 2024, the Company may on any one or more occasions redeem up to 40% of the aggregate principal amount of the Senior Notes outstanding under the Indenture with the net cash proceeds of one or more equity offerings at a redemption price equal to 104.125% of the principal amount of the Senior Notes then outstanding, plus accrued and unpaid interest thereon, if any, to, but excluding, the applicable redemption date. The Company may also at its election redeem the Senior Notes in whole, but not in part, at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, if certain changes in tax law occur as set forth in the Indenture.

If the Company experiences a change of control triggering event (as defined in the Indenture), the Company must offer to repurchase the Senior Notes at a repurchase price equal to 101% of the principal amount of the Senior Notes to be repurchased, plus accrued and unpaid interest, if any, to the repurchase date.

The indenture governing the Senior Notes contain covenants limiting the Company's ability and the ability of certain subsidiaries to create liens on certain assets to secure debt; grant a subsidiary guarantee of certain debt without also providing a guarantee of the Senior Notes; and consolidate or merge with or into, or sell or otherwise dispose of all or substantially all of its assets to, another person. These covenants are subject to a number of limitations and exceptions. Certain of these covenants will not apply during any period in which the notes are rated investment grade by Moody's Investors Service, Inc. and Standard & Poor's Ratings Services. As of January 31, 2022, the Company was in compliance with all of its financial covenants under the Indenture associated with the Senior Notes.

The net carrying amount of the Senior Notes was as follows:

	As of January 31, 2022
Principal	$ 575,000
Unamortized debt issuance costs	(8,729)
Net carrying amount	$ 566,271

The following table sets forth the interest expense recognized related to the Senior Notes:

	Nine Months Ended January 31, 2022
Contractual interest expense	$ 13,441
Amortization of debt issuance costs	554
Total interest expense related to the Senior Notes	$ 13,995

8. Commitments and Contingencies

Cloud Hosting Commitments

During the nine months ended January 31, 2022, there were no material changes, outside the ordinary course of business, to the Company's contractual obligations and commitments reported in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2021.

Letters of Credit

The Company had a total of $3.9 million in letters of credit outstanding in favor of certain landlords for office space as of January 31, 2022.

Legal Matters

From time to time, the Company has become involved in claims and other legal matters arising in the ordinary course of business. The Company investigates these claims as they arise. Although claims are inherently unpredictable, the Company is currently not aware of any matters that, if determined adversely to the Company, would individually or taken together have a material adverse effect on its business, results of operations, financial position or cash flows.

The Company accrues estimates for resolution of legal and other contingencies when losses are probable and reasonably estimable.

Although the results of litigation and claims are inherently unpredictable, the Company does not believe that there were any matters under litigation or claims with a reasonable possibility of the Company incurring a material loss as of January 31, 2022.

Indemnification

The Company enters into indemnification provisions under its agreements with other companies in the ordinary course of business, including business partners, landlords, contractors and parties performing its research and development. Pursuant to these arrangements, the Company agrees to indemnify, hold harmless, and reimburse the indemnified party for certain losses suffered or incurred by the indemnified party as a result of the Company's activities. The maximum potential amount of future payments the Company could be required to make under these agreements is not determinable. The Company has never incurred costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, the Company believes the fair value of these agreements is not material. The Company maintains commercial general liability insurance and product liability insurance to offset certain of the Company's potential liabilities under these indemnification provisions.

In addition, the Company indemnifies its officers, directors and certain key employees against certain liabilities that may arise as a result of their affiliation with the Company. To date, there have been no claims under any indemnification provisions.

9. Leases

The Company's leases are composed of corporate office spaces under non-cancelable operating lease agreements that expire at various dates through 2025. The Company does not have any finance leases.

Lease Costs

Components of lease costs included in the condensed consolidated statement of operations were as follows (in thousands):

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
Operating lease cost	$ 2,432	$ 2,234	$ 7,203	$ 6,518
Short-term lease cost	581	507	1,571	1,859
Variable lease cost	297	182	804	471
Total lease cost	$ 3,310	$ 2,923	$ 9,578	$ 8,848

Lease term and discount rate information are summarized as follows:

	As of January 31, 2022
Weighted average remaining lease term (years)	3.17
Weighted average discount rate	4.85 %

Future minimum lease payments under non-cancelable operating leases on an undiscounted cash flow basis as of January 31, 2022 were as follows (in thousands):

Years Ending April 30,	
2022 (remaining three months)	$ 2,516
2023	8,720
2024	6,666
2025	5,104
2026	2,803
Total minimum lease payments	25,809
Less imputed interest	(1,947)
Present value of future minimum lease payments	23,862
Less current lease liabilities	(8,983)
Operating lease liabilities, non-current	$ 14,879

10. Ordinary Shares

Each holder of ordinary shares has the right to one vote per ordinary share. The holders of ordinary shares are also entitled to receive dividends whenever funds are legally available and when declared by the board of directors, subject to the prior rights of holders of all classes of shares outstanding having priority rights to dividends. No dividends have been declared by the Company's board of directors from inception through January 31, 2022.

Ordinary Shares Reserved for Issuance

The Company had reserved ordinary shares for issuance as follows:

	As of January 31, 2022	As of April 30, 2021
Stock options issued and outstanding	5,486,883	7,611,016
RSUs issued and outstanding	4,034,604	3,301,283
Remaining shares available for future issuance under the 2012 Plan	18,817,211	15,737,819
Total ordinary shares reserved	28,338,698	26,650,118

Convertible Preference Shares

The Company's board of directors has the authority, for a period of five years from October 10, 2018, without further action by the Company's shareholders, to issue up to 165 million shares of undesignated convertible preference shares with rights and preferences, including voting rights, designated from time to time by the board of directors. As of January 31, 2022, there were no convertible preference shares issued or outstanding.

11. Equity Incentive Plans

In September 2012, the Company's board of directors adopted and the Company's shareholders approved the 2012 Stock Option Plan, which was amended and restated in September 2018 and further amended in December 2021 (as amended and restated, the "2012 Plan"). Under the 2012 Plan, the board of directors, the compensation committee, as administrator of the 2012 Plan, and a duly authorized committee may grant stock options and other equity-based awards, such as Restricted Stock Awards ("RSAs") or Restricted Stock Units ("RSUs"), to eligible employees, directors, and consultants to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees, directors and consultants, and to promote the success of the Company's business. The Company's board of directors, compensation committee or a duly authorized committee determines the vesting schedule for all equity-based awards. Stock options granted to new employees under the 2012 Plan generally vest over four years with 25% of the option shares vesting one year from the vesting commencement date and then ratably over the following 36 months subject to the employees' continued service to the Company. Refresh grants of stock options to existing employees generally vest monthly over four years subject to the employees' continued service to the Company. RSUs granted prior to December 8, 2021 to new employees generally vest over a period of four years with 25% vesting on the one-year anniversary of the vesting start date and the remainder vesting semi-annually over the next three years, subject to the employee's continued service to the Company. RSUs granted prior to December 8, 2021 to existing employees generally vest semi-annually over a period of four years, subject to the employee's continued service to the Company. RSUs granted to both new and existing employees on and after December 8, 2021 generally

vest quarterly over a period of four years, subject to the grantee's continued service to the Company. The Company's compensation committee may explicitly deviate from the general vesting schedules in its approval of an equity-based award, as it may deem appropriate. Stock options expire ten years after the date of grant. Stock options, RSAs and RSUs that are canceled under certain conditions become available for future grant or sale under the 2012 Plan unless the 2012 Plan is terminated.

The equity awards available for grant were as follows:

	Nine Months Ended January 31, 2022
Available at beginning of period	15,737,819
Awards authorized	4,526,699
Options granted	(175,733)
RSUs granted	(2,136,065)
Stock options cancelled	358,624
RSUs cancelled	505,867
Available at end of period	18,817,211

Stock Incentive Plans Assumed in Acquisitions

In connection with its acquisitions of Cmd and build.security, the Company assumed certain unvested stock options issued under the Cmd Stock Option Plan and Build 2020 Share Incentive Plan that were outstanding on the date of the respective acquisition. The assumed stock options will continue to be outstanding and will be governed by the provisions of their respective plan and are included in the stock option activity table below.

Stock Options

The following table summarizes stock option activity (in thousands, except share and per share data):

	Stock Options Outstanding			
	Number of Stock Options Outstanding	Weighted-Average Exercise Price	Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Balance as of April 30, 2021	7,611,016	$ 20.34	6.66	$ 768,517
Stock options assumed in acquisitions	63,846	$ 10.20		
Stock options granted	175,733	$ 128.31		
Stock options exercised	(2,004,188)	$ 13.70		
Stock options cancelled	(358,624)	$ 31.70		
Stock options assumed in acquisition cancelled	(900)	$ 39.68		
Balance as of January 31, 2022	5,486,883	$ 25.37	6.03	$ 387,598
Exercisable as of January 31, 2022	4,148,435	$ 17.51	5.66	$ 316,800

Stock options exercisable include 29,167 stock options that were unvested as of January 31, 2022.

Aggregate intrinsic value represents the difference between the exercise price of the stock options to purchase ordinary shares and the fair value of the Company's ordinary shares. The weighted-average grant-date fair value per share of stock options assumed related to the Cmd and build.security acquisitions was $122.13 for the nine months ended January 31, 2022. The weighted-average grant-date fair value per share of stock options granted was $71.17 for each of the three and nine months ended January 31, 2022. The weighted-average grant-date fair value of stock options granted was $83.71 and $78.06 for the three and nine months ended January 31, 2021, respectively.

As of January 31, 2022, the Company had unrecognized stock-based compensation expense of $38.4 million related to unvested stock options that the Company expects to recognize over a weighted-average period of 1.84 years.

RSUs

The following table summarizes RSU activity for the 2012 Plan:

	Number of Awards	Weighted-Average Grant Date Fair Value
Outstanding and unvested at April 30, 2021	3,301,283	$ 98.74
RSUs granted	2,136,065	$ 133.30
RSUs released	(896,877)	$ 91.62
RSUs cancelled	(505,867)	$ 102.77
Outstanding and unvested at January 31, 2022	4,034,604	$ 117.60

As of January 31, 2022, the Company had unrecognized stock-based compensation expense of $438.8 million related to RSUs that the Company expects to recognize over a weighted-average period of 3.06 years.

Stock-Based Compensation Expense

Total stock-based compensation expense recognized in the Company's condensed consolidated statements of operations was as follows (in thousands):

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
Cost of revenue—cost of subscription—self-managed and SaaS	$ 2,064	$ 1,839	$ 6,262	$ 5,065
Cost of revenue—professional services	1,726	1,359	4,593	3,287
Research and development	16,029	9,516	41,784	24,309
Sales and marketing	12,545	8,372	30,798	22,519
General and administrative	5,029	4,141	14,116	10,125
Stock-based compensation expense, net of amounts capitalized	37,393	25,227	97,553	65,305
Capitalized stock-based compensation expense	70	—	152	—
Total stock-based compensation expense	$ 37,463	$ 25,227	$ 97,705	$ 65,305

Total stock-based compensation expense for the nine months ended January 31, 2022 includes a charge of $0.5 million related to an expense arising from business combinations.

12. Net Loss Per Share Attributable to Ordinary Shareholders

The following table sets forth the computation of basic and diluted net loss per share attributable to ordinary shareholders (in thousands, except share and per share data):

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
Numerator:				
Net loss	$ (56,726)	$ (37,974)	$ (138,238)	$ (86,133)
Denominator:				
Weighted-average shares used in computing net loss per share attributable to ordinary shareholders, basic and diluted	93,015,185	88,341,038	92,140,919	86,296,028
Net loss per share attributable to ordinary shareholders, basic and diluted	$ (0.61)	$ (0.43)	$ (1.50)	$ (1.00)

The following outstanding potentially dilutive ordinary shares were excluded from the computation of diluted net loss per share attributable to ordinary shareholders for the periods presented because the impact of including them would have been antidilutive:

	Nine Months Ended January 31,	
	2022	2021
Stock options	5,486,883	8,494,795
RSUs	4,034,604	3,345,305
Contingently issuable shares	—	235,031
Total	9,521,487	12,075,131

13. Income Taxes

The Company is incorporated in the Netherlands but operates in various countries with differing tax laws and rates. The Company recorded a provision for income taxes of $3.8 million and $1.1 million for the three months ended January 31, 2022 and 2021, respectively and $9.3 million and $2.2 million for the nine months ended January 31, 2022 and 2021, respectively. The provision for income taxes was primarily due to foreign taxes. The calculation of income taxes is based upon the estimated annual effective tax rates for the year applied to the current period loss before tax plus the tax effect of any significant unusual items, discrete events or changes in tax law.

The Company assesses uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainties in Tax*. The Company anticipates that the amount of reasonably possible unrecognized tax benefits that could decrease over the next twelve months due to the expiration of certain statutes of limitations and settlement of tax audits is not material to the Company's interim unaudited condensed consolidated financial statements.

14. Employee Benefit Plans

The Company has a defined-contribution plan in the U.S. intended to qualify under Section 401 of the Internal Revenue Code (the "401(k) Plan"). The Company has contracted with a third-party provider to act as a custodian and trustee, and to process and maintain the records of participant data. Substantially all the expenses incurred for administering the 401(k) Plan are paid by the Company. This 401(k) Plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. The Company makes contributions to the 401(k) Plan up to 6% of the participating employee's W-2 earnings and wages. The Company recorded $3.7 million and $2.7 million of expense related to the 401(k) Plan during the three months ended January 31, 2022 and 2021, respectively and $10.8 million and $8.2 million for the nine months ended January 31, 2022 and 2021, respectively.

The Company also has defined-contribution plans in certain other countries for which the Company recorded $1.8 million and $1.5 million of expense during the three months ended January 31, 2022 and 2021, respectively and $5.1 million and $3.8 million for the nine months ended January 31, 2022 and 2021, respectively.

15. Segment Information

The following table summarizes the Company's total revenue by geographic area based on the billing address of the customers (in thousands):

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
United States	$ 125,831	$ 83,153	$ 344,480	$ 235,188
Rest of world	98,113	73,962	278,539	195,691
Total revenue	$ 223,944	$ 157,115	$ 623,019	$ 430,879

Other than the United States, no other individual country exceeded 10% or more of total revenue during the periods presented.

The following table presents the Company's long-lived assets, including property and equipment, net, and operating lease right-of-use assets, by geographic region (in thousands):

	As of January 31, 2022	As of April 30, 2021
United States	$ 19,724	$ 23,443
United Kingdom	5,303	7,151
The Netherlands	2,038	2,975
Rest of world	1,128	776
Total long-lived assets	$ 28,193	$ 34,345

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and with our Management's Discussion and Analysis of Financial Condition and Results of Operations and audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended April 30, 2021. As discussed in the section titled "Note Regarding Forward-Looking Statements," the following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such difference include, but are not limited to, those identified below and those discussed in the section titled "Risk Factors" under Part II, Item 1A in this Quarterly Report on Form 10-Q. Our fiscal year end is April 30, and our fiscal quarters end on July 31, October 31, January 31, and April 30. Our fiscal year ended April 30, 2021 is referred to as fiscal 2021, and our fiscal year ending April 30, 2022 is referred to as fiscal 2022.

Overview

Elastic is a search company. We deliver technology that enables users to search through massive amounts of structured and unstructured data for a wide range of use cases. Our primary offering is the Elastic Stack, a powerful set of software products that ingest and store data from any source, and in any format, and perform search, analysis, and visualization in milliseconds or less. The Elastic Stack is designed for direct use by developers to power a variety of use cases. We also offer three software solutions – Enterprise Search, Observability, and Security – built on the Elastic Stack. Our solutions are designed to be deployed everywhere: in public or private clouds, in hybrid environments, or in traditional on-premises environments. Our products are used by individual developers and organizations of all sizes across a wide range of industries.

Elasticsearch is the heart of the Elastic Stack. It is a distributed, real-time search and analytics engine and datastore for exploring all types of data including textual, numerical, geospatial, structured, and unstructured. The first public release of Elasticsearch was in 2010 by our co-founder Shay Banon as an open source project. The Company was formed in 2012. Since then, we have added new products, released new features, acquired companies, and created new solutions to expand the functionality of our products.

Our business model is based on a combination of free and paid proprietary software. We market and distribute the Elastic Stack and our solutions using a free and open distribution strategy. Developers are able to download our software directly from our website. Some features of our software can be downloaded and used free of charge. Others are only available through paid subscriptions, which include access to specific proprietary features and also include support. These paid features can be unlocked without the need to re-deploy the software. There is no free subscription tier in our cloud offerings, where all subscriptions are paid.

We believe that our free and open distribution strategy drives a number of benefits for our users, our customers, and our company. It facilitates rapid and efficient developer adoption, particularly by empowering individual developers to download and use our software without payment, registration, or the friction of a formal sales interaction. It fosters a vibrant developer community around our products and solutions, which drives adoption of our products and increased interaction among users. Further, this approach enables community review of our code and products, which allows us to improve the reliability and security of our software.

During the nine months ended January 31, 2022, we acquired 100% of the share capital of Cmd, build.security and Optimyze for a combined total consideration of $134.9 million. With these acquisitions, we will be able to extend cloud security protections for our customers from endpoint to cloud workload and provide our customers with cloud security protections from build-time, to deployment-time, to runtime, and extend our Observability solution to enable "always on" continuous profiling for infrastructure, applications, and services.

We generate revenue primarily from sales of subscriptions for our software. We offer various paid subscription tiers that provide different levels of rights to use proprietary features and access to support. We do not sell support separately. Our subscription agreements for self-managed and Elastic Cloud deployments typically have terms of one to three years and we usually bill for them annually in advance. Elastic Cloud customers may also purchase subscriptions on a month-to-month basis without a commitment, with usage billed at the end of each month. Subscriptions accounted for 93% of total revenue in each of the nine months ended January 31, 2022 and 2021. We also generate revenue from consulting and training services.

We had over 17,900 customers as of January 31, 2022 compared to over 13,800 as of January 31, 2021. We define a customer as an entity that generated revenue in the quarter ending on the measurement date from an annual or month-to-month subscription. Affiliated entities are typically counted as a single customer. The annual contract value ("ACV") of a customer's commitments is calculated based on the terms of that customer's subscriptions, and represents the total committed annual subscription amount as of the measurement date. Month-to-month subscriptions are not included in the calculation of ACV. The

number of customers who represented greater than $100,000 in ACV was over 890 as of January 31, 2022 compared to over 670 as of January 31, 2021.

We engage in various sales and marketing efforts to extend our free and open distribution model. We employ multi-touch marketing campaigns to nurture our users and customers and keep them engaged after they download our software. Additionally, we maintain direct sales efforts focused on users and customers who have adopted our software, as well as departmental decision-makers and senior executives who have broad purchasing power in their organizations. Our sales teams are primarily segmented by geographies and secondarily by the employee count of our customers. They focus on both initial conversion of users into customers and additional sales to existing customers. In addition to our direct sales efforts, we also maintain partnerships to further extend our reach and awareness of our products around the world.

We continue to make substantial investments in developing the Elastic Stack and our solutions and expanding our global sales and marketing footprint. With a distributed team spanning over 35 countries, we are able to recruit, hire, and retain high-quality, experienced technical and sales personnel and operate at a rapid pace to drive product releases, fix bugs, and create and market new products. We had 2,888 employees as of January 31, 2022.

In July 2021, we issued $575.0 million aggregate principal amount of 4.125% Senior Notes due July 15, 2029 (the "Senior Notes") in a private placement. We intend to use the net proceeds from the offering of the Senior Notes for general corporate purposes, which may include capital expenditures, investments and working capital. In addition, in the past we have considered, and may continue to consider, acquisitions and strategic transactions, and we may use the net proceeds of this offering for such purposes.

COVID-19

The ongoing COVID-19 pandemic continues to evolve and negatively impact worldwide economic activity. Efforts to control its spread have significantly curtailed the movement of people, goods and services worldwide, including in many of the regions in which we sell our products and services and conduct our business operations, negatively impacting worldwide economic activity. The ongoing impact of the COVID-19 pandemic on our operational and financial performance will depend on certain developments, including the duration and spread of the virus, success of preventative measures to contain or mitigate the spread of the virus and emerging variants, effectiveness, distribution, and acceptance of COVID-19 vaccines, impact on our customers and our sales cycles, impact on our customer, employee or industry events, effect on our vendors, and the uneven impact of the COVID-19 pandemic on certain industries, all of which continue to remain uncertain and cannot be predicted.

The continuing COVID-19 pandemic has resulted in a global slowdown of economic activity and its impact has varied significantly across different industries with certain industries experiencing increased demand for their products and services, while others have struggled to maintain demand for their products and services consistent with historical levels. There have been delays in purchasing decisions from existing and prospective customers, longer sales cycles, delayed implementation of professional services, reduced renewals of subscriptions by existing customers, and changes in approaches to creating sales pipeline in the absence of in-person marketing events, resulting in headwinds for calculated billings and our Net Expansion Rate.

Notwithstanding the potential and actual adverse impacts described above, as the pandemic has caused more of our customers to shift to a virtual workforce or accelerate their digital transformation efforts, we believe the value of our solutions has become even more evident. In addition, we have benefited from lower spending on travel by our employees due to COVID-19 travel restrictions and from holding events virtually, however we expect live events and travel costs to trend back higher in the near-term.

In response to the COVID-19 pandemic and in an effort to focus on maintaining business continuity and preparing for the future and long-term success of our business, we have taken precautionary measures intended to help minimize the risk of the virus to our employees, customers, and the communities in which we operate, including modifying our business practices, such as suspending employee travel, adapting employee work locations, and holding events and trainings virtually. Further, we also temporarily reduced the pace of investments in our business in response to the COVID-19 pandemic in the first quarter of fiscal 2021 but began to gradually increase our investments in our business since then. We intend to continue to maintain a similar pace of investments in the business throughout the remainder of fiscal 2022. We continue to monitor the major impacts of the COVID-19 pandemic and make changes in our business as appropriate, in response to such impacts. See "Risk Factors" included in Part II, Item 1A of this Quarterly Report on Form 10-Q for a discussion of additional risks.

Key Factors Affecting Our Performance

We believe that the growth and future success of our business depends on many factors, including those described below. While each of these factors presents significant opportunities for our business, they also pose important challenges that we must successfully address in order to sustain our growth and improve our results of operations.

Growing the Elastic community. Our strategy consists of providing access to source available software, on both a free and paid basis, and fostering a community of users and developers. Our strategy is designed to pursue what we believe to be significant untapped potential for the use of our technology. After developers begin to use our software and start to participate in our developer community, they become more likely to apply our technology to additional use cases and evangelize our technology within their organizations. This reduces the time required for our sales force to educate potential leads on our solutions. In order to capitalize on our opportunity, we intend to make further investments to keep the Elastic Stack accessible and well known to software developers around the world. We intend to continue to invest in our products and support and engage our user base and developer community through content, events, and conferences in the U.S. and internationally. Our results of operations may fluctuate as we make these investments.

Developing new features for the Elastic Stack. The Elastic Stack is applied to various use cases by customers, including through the solutions we offer. Our revenue is derived primarily from subscriptions of Enterprise Search, Observability and Security built into the Elastic Stack. We believe that releasing additional features of the Elastic Stack, including our solutions, drives usage of our products and ultimately drives our growth. To that end, we plan to continue to invest in building new features and solutions that expand the capabilities of the Elastic Stack. These investments may adversely affect our operating results prior to generating benefits, to the extent that they ultimately generate benefits at all.

Growing our customer base by converting users of our software to paid subscribers. Our financial performance depends on growing our paid customer base by converting free users of our software into paid subscribers. Our distribution model has resulted in rapid adoption by developers around the world. We have invested, and expect to continue to invest, heavily in sales and marketing efforts to convert additional free users to paid subscribers. Our investment in sales and marketing is significant given our large and diverse user base. The investments are likely to occur in advance of the anticipated benefits resulting from such investments, such that they may adversely affect our operating results in the near term.

Expanding within our current customer base. Our future growth and profitability depend on our ability to drive additional sales to existing customers. Customers often expand the use of our software within their organizations by increasing the number of developers using our products, increasing the utilization of our products for a particular use case, and expanding use of our products to additional use cases. We focus some of our direct sales efforts on encouraging these types of expansion within our customer base.

We believe that a useful indication of how our customer relationships have expanded over time is through our Net Expansion Rate, which is based upon trends in the rate at which customers increase their spend with us. To calculate an expansion rate as of the end of a given month, we start with the annualized spend from all such customers as of twelve months prior to that month end, or Prior Period Value. A customer's annualized spend is measured as their ACV, or in the case of customers charged on usage-based arrangements, by annualizing the usage for that month. We then calculate the annualized spend from these same customers as of the given month end, or Current Period Value, which includes any growth in the value of their subscriptions or usage and is net of contraction or attrition over the prior twelve months. We then divide the Current Period Value by the Prior Period Value to arrive at an expansion rate. The Net Expansion Rate at the end of any period is the weighted average of the expansion rates as of the end of each of the trailing twelve months. The Net Expansion Rate includes the dollar-weighted value of our subscriptions or usage that expand, renew, contract, or attrit. For instance, if each customer had a one-year subscription and renewed its subscription for the exact same amount, then the Net Expansion Rate would be 100%. Customers who reduced their annual subscription dollar value (contraction) or did not renew their annual subscription (attrition) would adversely affect the Net Expansion Rate. Our Net Expansion Rate was slightly below 130% for the three months ended January 31, 2022. Until April 30, 2021, Net Expansion Rate was based on ACV, regardless of customers' actual usage, and also did not include customers on month-to-month subscriptions. To better reflect actual customer behavior, we modified our Net Expansion Rate calculation to incorporate customers' actual spending patterns and include customers on month-to-month subscriptions. The impact of this change on prior reported periods is immaterial.

As large organizations expand their use of the Elastic Stack across multiple use cases, projects, divisions and users, they often begin to require centralized provisioning, management and monitoring across multiple deployments. To satisfy these requirements, our Enterprise subscription tier provides access to key orchestration and deployment management capabilities. We will continue to focus some of our direct sales efforts on driving adoption of our paid offerings.

Increasing adoption of Elastic Cloud. Elastic Cloud, our family of hosted offerings that includes Elasticsearch Service and Site Search Service, is an important growth opportunity for our business. Organizations are increasingly looking for hosted deployment alternatives with reduced administrative burdens. In some cases, users of our source available software that have been self-managing deployments of the Elastic Stack subsequently become paying subscribers of Elastic Cloud. Elastic Cloud contributed 34% and 27% to our total revenue for the nine months ended January 31, 2022 and 2021, respectively. We believe that offering a hosted deployment alternative is important for achieving our long-term growth potential, and we expect Elastic Cloud's contribution to our subscription revenue to increase over time. However, we expect that an increase in the relative contribution of Elastic Cloud to our business will have a modest adverse impact on our gross margin as a result of the associated third-party hosting costs.

Components of Results of Operations

Revenue

Subscription. Our revenue is primarily generated through the sale of subscriptions to software, which is either self-managed by the user or hosted and managed by us in the cloud. Subscriptions provide the right to use paid proprietary software features and access to support for our paid and unpaid software.

A portion of the revenue from self-managed subscriptions is generally recognized up front at the point in time when the license is delivered. This revenue is presented as License – self-managed in our consolidated statements of operations. The remainder of revenue from self-managed subscriptions is recognized ratably over the subscription term while revenue from subscriptions that require access to the cloud or that are hosted and managed by us or by a partner on our behalf in the cloud is recognized ratably over the subscription term or on a usage basis; both are presented within Subscription – self-managed and SaaS in our consolidated statements of operations.

Professional services. Professional services is composed of consulting services as well as public and private training. Consulting services are generally time-based arrangements. Revenue for professional services is recognized as these services are performed.

Cost of Revenue

Subscription. Cost of license – self-managed consists of amortization of certain intangible assets. Cost of subscription – self-managed and SaaS consists primarily of personnel and related costs for employees associated with supporting our subscription arrangements, certain third-party expenses, and amortization of certain intangible and other assets. Personnel and related costs, or personnel costs, comprise cash compensation, benefits and stock-based compensation to employees, costs of third-party contractors, and allocated overhead costs. Third-party expenses consist of cloud hosting costs and other expenses directly associated with our customer support. We expect our cost of subscription – self-managed and SaaS to increase in absolute dollars as our subscription revenue increases.

Professional services. Cost of professional services revenue consists primarily of personnel costs directly associated with delivery of training, implementation and other professional services, costs of third-party contractors, facility rental charges and allocated overhead costs. We expect our cost of professional services revenue to increase in absolute dollars as we invest in our business and as professional services revenue increases.

Gross profit and gross margin. Gross profit represents revenue less cost of revenue. Gross margin, or gross profit as a percentage of revenue, has been and will continue to be affected by a variety of factors, including the timing of our acquisition of new customers and our renewals with existing customers, the average sales price of our subscriptions and professional services, the amount of our revenue represented by hosted services, the mix of subscriptions sold, the mix of revenue between subscriptions and professional services, the mix of professional services between consulting and training, transaction volume growth and support case volume growth. We expect our gross margin to fluctuate over time depending on the factors described above. We expect our revenue from Elastic Cloud to continue to increase as a percentage of total revenue, which we expect will adversely impact our gross margin as a result of the associated hosting costs.

Operating Expenses

Research and development. Research and development expense mainly consists of personnel costs and allocated overhead costs for employees and contractors. We expect our research and development expense to increase in absolute dollars for the foreseeable future as we continue to develop new technology and invest further in our existing products.

Sales and marketing. Sales and marketing expense mainly consists of personnel costs, commissions, allocated overhead costs and costs related to marketing programs and user events. Marketing programs consist of advertising, events, brand-building and customer acquisition and retention activities. We expect our sales and marketing expense to increase in absolute dollars as we expand our salesforce and increase our investments in marketing resources. We capitalize sales commissions and associated payroll taxes paid to internal sales personnel that are related to the acquisition of customer contracts. Sales commissions costs are amortized over the expected benefit period.

General and administrative. General and administrative expense mainly consists of personnel costs for our management, finance, legal, human resources, and other administrative employees. Our general and administrative expense also includes professional fees, accounting fees, audit fees, tax services and legal fees, as well as insurance, allocated overhead costs, and other corporate expenses. We expect our general and administrative expense to increase in absolute dollars as we

increase the size of our general and administrative functions to support the growth of our business. We also anticipate that we will continue to incur additional costs for employees and third-party consulting services related to operating as a public company.

Other Income (Expense), Net

Other income, net primarily consists of gains and losses from transactions denominated in a currency other than the functional currency, interest income and interest expense.

Provision for Income Taxes

Provision for income taxes consists primarily of income taxes related to the Netherlands, U.S. federal, state and foreign jurisdictions in which we conduct business. Our effective tax rate is affected by recurring items, such as tax rates in jurisdictions outside the Netherlands and the relative amounts of income we earn in those jurisdictions, and non-deductible stock-based compensation.

Results of Operations

The period to period comparison of results is not necessarily indicative of results for future periods. The following tables set forth our results of operations for the periods presented in dollars:

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
	(in thousands)			
Revenue				
License - self-managed	$ 20,119	$ 15,280	$ 54,457	$ 45,673
Subscription - self-managed and SaaS	189,495	131,969	522,599	357,127
Total subscription revenue	209,614	147,249	577,056	402,800
Professional services	14,330	9,866	45,963	28,079
Total revenue	223,944	157,115	623,019	430,879
Cost of revenue [1][2][3]				
Cost of license - self-managed	501	346	1,242	1,039
Cost of subscription - self-managed and SaaS	47,076	31,426	126,097	86,464
Total cost of revenue - subscription	47,577	31,772	127,339	87,503
Cost of professional services	13,707	10,196	37,491	27,744
Total cost of revenue	61,284	41,968	164,830	115,247
Gross profit	162,660	115,147	458,189	315,632
Operating expenses[1][2][3][4]				
Research and development	71,749	51,400	194,894	143,766
Sales and marketing	105,069	71,087	288,055	191,712
General and administrative	31,691	27,121	89,298	72,555
Total operating expenses	208,509	149,608	572,247	408,033
Operating loss [1][2][3][4]	(45,849)	(34,461)	(114,058)	(92,401)
Other income (expense), net				
Interest expense	(6,175)	(65)	(14,327)	(78)
Other income (expense), net	(861)	(2,312)	(509)	8,502
Loss before income taxes	(52,885)	(36,838)	(128,894)	(83,977)
Provision for income taxes	3,841	1,136	9,344	2,156
Net loss	$ (56,726)	$ (37,974)	$ (138,238)	$ (86,133)

(1) *Includes stock-based compensation expense as follows:*

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
	(in thousands)			
Cost of revenue				
Cost of subscription - self managed and SaaS	$ 2,064	$ 1,839	$ 6,262	$ 5,065
Cost of professional services	1,726	1,359	4,593	3,287
Research and development	16,029	9,516	41,784	24,309
Sales and marketing	12,545	8,372	30,798	22,519
General and administrative	5,029	4,141	14,116	10,125
Total stock-based compensation expense	$ 37,393	$ 25,227	$ 97,553	$ 65,305

(2) *Includes employer payroll taxes on employee stock transactions as follows:*

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
	(in thousands)			
Cost of revenue				
Cost of subscription - self managed and SaaS	$ 147	$ 267	$ 474	$ 487
Cost of professional services	113	322	591	424
Research and development	663	1,243	2,916	2,702
Sales and marketing	512	1,723	3,874	3,494
General and administrative	208	2,130	779	3,329
Total employer payroll taxes on employee stock-based transactions	$ 1,643	$ 5,685	$ 8,634	$ 10,436

(3) *Includes amortization of acquired intangible assets as follows:*

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
	(in thousands)			
Cost of revenue				
Cost of license - self-managed	$ 501	$ 346	$ 1,242	$ 1,039
Cost of subscription - self-managed and SaaS	2,545	1,764	6,314	5,289
Sales and marketing	1,231	1,428	4,088	4,302
Total amortization of acquired intangibles	$ 4,277	$ 3,538	$ 11,644	$ 10,630

(4) *Includes acquisition-related expenses as follows:*

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
	(in thousands)			
Research and development	$ 2,713	$ —	$ 3,695	$ —
General and administrative	18	—	1,304	—
Total acquisition-related expenses	$ 2,731	$ —	$ 4,999	$ —

The following table sets forth selected condensed consolidated statements of operations data for each of the periods indicated as a percentage of total revenue:

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
Revenue				
License - self-managed	9 %	10 %	9 %	10 %
Subscription - self-managed and SaaS	85 %	84 %	84 %	83 %
Total subscription revenue	94 %	94 %	93 %	93 %
Professional services	6 %	6 %	7 %	7 %
Total revenue	100 %	100 %	100 %	100 %
Cost of revenue [1][2][3]				
Cost of license - self-managed	0 %	0 %	0 %	0 %
Cost of subscription - self-managed and SaaS	21 %	20 %	20 %	20 %
Total cost of revenue - subscription	21 %	20 %	20 %	20 %
Cost of professional services	6 %	7 %	6 %	7 %
Total cost of revenue	27 %	27 %	26 %	27 %
Gross profit	73 %	73 %	74 %	73 %
Operating expenses[1][2][3][4]				
Research and development	32 %	33 %	31 %	33 %
Sales and marketing	47 %	45 %	46 %	45 %
General and administrative	14 %	17 %	15 %	17 %
Total operating expenses	93 %	95 %	92 %	95 %
Operating loss [1][2][3][4]	(20)%	(22)%	(18)%	(22)%
Other income (expense), net				
Interest expense	(3)%	0 %	(2)%	0 %
Other income (expense), net	0 %	(1)%	0 %	3 %
Loss before income taxes	(23)%	(23)%	(20)%	(19)%
Provision for income taxes	2 %	1 %	2 %	1 %
Net loss	(25)%	(24)%	(22)%	(20)%

[1] *Includes stock-based compensation expense as follows:*

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
Cost of revenue				
Cost of subscription - self managed and SaaS	1 %	1 %	1 %	1 %
Cost of professional services	1 %	1 %	1 %	1 %
Research and development	7 %	6 %	7 %	6 %
Sales and marketing	6 %	5 %	5 %	5 %
General and administrative	2 %	3 %	2 %	2 %
Total stock-based compensation expense	17 %	16 %	16 %	15 %

(2) *Includes employer payroll taxes on employee stock transactions as follows*:

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
Cost of revenue				
Cost of subscription - self managed and SaaS	0 %	0 %	0 %	0 %
Cost of professional services	0 %	0 %	0 %	0 %
Research and development	1 %	1 %	0 %	0 %
Sales and marketing	0 %	1 %	1 %	1 %
General and administrative	0 %	2 %	0 %	1 %
Total employer payroll taxes on employee stock-based transactions	1 %	4 %	1 %	2 %

(3) *Includes amortization of acquired intangible assets as follows:*

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
Cost of revenue				
Cost of license - self-managed	0 %	0 %	0 %	0 %
Cost of subscription - self-managed and SaaS	1 %	1 %	1 %	1 %
Sales and marketing	1 %	1 %	1 %	1 %
Total amortization of acquired intangibles	2 %	2 %	2 %	2 %

(4) *Includes acquisition-related expenses as follows:*

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2022	2021	2022	2021
Research and development	1 %	0 %	1 %	0 %
General and administrative	0 %	0 %	0 %	0 %
Total acquisition-related expenses	1 %	0 %	1 %	0 %

Comparison of Three Months Ended January 31, 2022 and 2021

Revenue

	Three Months Ended January 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Revenue				
License - self-managed	$ 20,119	$ 15,280	$ 4,839	32 %
Subscription - self-managed and SaaS	189,495	131,969	57,526	44 %
Total subscription revenue	209,614	147,249	62,365	42 %
Professional services	14,330	9,866	4,464	45 %
Total revenue	$ 223,944	$ 157,115	$ 66,829	43 %

Total revenue increased by $66.8 million, or 43%, in the three months ended January 31, 2022, compared to the same period of the prior year.

Total subscription revenue increased $62.4 million, or 42%, in the three months ended January 31, 2022 compared to the same period of the prior year. The increase in revenue was primarily caused by volume-driven increases from new business, as existing customers purchased additional subscriptions, and we grew our subscription customer base to over 17,900 customers compared to over 13,800 customers in the same period of the prior year.

Professional services revenue increased by $4.5 million, or 45%, in the three months ended January 31, 2022, compared to the same period of the prior year. The increase in professional services revenue was attributable to increased adoption of our professional services offerings.

Cost of Revenue and Gross Margin

	Three Months Ended January 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Cost of revenue				
Cost of license - self-managed	$ 501	$ 346	$ 155	45 %
Cost of subscription - self-managed and SaaS	47,076	31,426	15,650	50 %
Total cost of revenue - subscription	47,577	31,772	15,805	50 %
Cost of professional services	13,707	10,196	3,511	34 %
Total cost of revenue	$ 61,284	$ 41,968	$ 19,316	46 %
Gross profit	$ 162,660	$ 115,147	$ 47,513	41 %
Gross margin:				
License - self-managed	98 %	98 %		
Subscriptions - self-managed and SaaS	75 %	76 %		
Total subscription margin	77 %	78 %		
Professional services	4 %	(3)%		
Total gross margin	73 %	73 %		

Total cost of subscription revenue increased by $15.8 million, or 50%, in the three months ended January 31, 2022 compared to the same period of the prior year. This increase was primarily due to an increase of $12.7 million in cloud hosting costs, an increase of $1.2 million in personnel and related costs and an increase of $0.8 million in intangible asset amortization. The increase in personnel and related costs includes an increase of $1.0 million in salaries and related taxes and an increase of $0.2 million in stock-based compensation.

Total subscription margin decreased slightly to 77% for the three months ended January 31, 2022 compared to 78% for the three months ended January 31, 2021.

Cost of professional services revenue increased by $3.5 million, or 34%, in the three months ended January 31, 2022 compared to the same period of the prior year. This increase was primarily due to an increase of $1.8 million in subcontractor costs and an increase in personnel and related costs of $1.3 million mainly due to growth in headcount.

Gross margin for professional services revenue was 4% in the three months ended January 31, 2022 compared to (3)% for the three months ended January 31, 2021. The increase in margin is primarily due to the increase in revenue, and a lower than proportionate increase in cost of professional services revenue. We continue to invest in headcount for our professional services organization that we believe will be needed as we continue to grow and expect travel related costs will increase in the future as COVID-19 risks and travel restrictions abate. Our gross margin for professional services may fluctuate, decline or be negative in the near-term as we seek to expand our professional services business.

Operating Expenses

Research and development

	Three Months Ended January 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Research and development	$ 71,749	$ 51,400	$ 20,349	40 %

Research and development expense increased by $20.3 million, or 40%, in the three months ended January 31, 2022 compared to the same period of the prior year as we continued to invest in the development of new and existing offerings. Personnel and related costs increased by $17.8 million primarily as a result of growth in headcount. Consulting expense increased by $0.8 million and cloud hosting costs increased by $0.8 million. The increase in personnel and related costs includes an increase of $7.6 million in salaries and related taxes, an increase of $6.5 million in stock-based compensation expense, an increase of $2.7 million in acquisition-related compensation, and an increase of $0.5 million in employee benefits expense.

Sales and marketing

	Three Months Ended January 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Sales and marketing	$ 105,069	$ 71,087	$ 33,982	48 %

Sales and marketing expense increased by $34.0 million, or 48%, in the three months ended January 31, 2022 compared to the same period of the prior year. This increase was primarily due to an increase of $28.2 million in personnel and related costs and a $1.3 million increase in software and equipment expense as we continued to increase our sales and marketing headcount. In addition, marketing expenses increased by $2.3 million and travel costs increased by $1.7 million. The increase in personnel and related costs includes an increase of $14.9 million in salaries and related taxes, an increase of $6.0 million commissions expense related to the amortization of contract acquisition costs, an increase of $4.2 million in stock-based compensation expense, and an increase of $1.9 million in employee benefits expense.

General and administrative

	Three Months Ended January 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
General and administrative	$ 31,691	$ 27,121	$ 4,570	17 %

General and administrative expense increased by $4.6 million, or 17%, in the three months ended January 31, 2022 compared to the same period of the prior year. This increase was primarily due to an increase of $3.1 million in legal and professional expenses. Personnel and related costs also increased $1.7 million and software and equipment expense increased $0.3 million due to growth in headcount. In addition, insurance and related taxes increased by $0.4 million and travel cost increased by $0.2 million. These increases were partially offset by a decrease of $1.9 million in bad debt expense. The increase in personnel and related costs includes an increase of $0.9 million in stock-based compensation, an increase of $0.4 million in salaries and related taxes, and an increase of $0.3 million in employee benefits expense.

Other Expense, Net

	Three Months Ended January 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Other expense, net	$ (7,036)	$ (2,377)	$ (4,659)	196 %

Other expense, net was $7.0 million in the three months ended January 31, 2022 compared to $2.4 million in the same period of the prior year. This increase in other expense, net was primarily due to an increase of $6.1 million in interest expense due to issuance of long-term debt during the first quarter of the current fiscal year. This increase was partially offset by a decrease of $1.4 million in foreign currency remeasurement loss.

Provision for Income Taxes

	Three Months Ended January 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Provision for income taxes	$ 3,841	$ 1,136	$ 2,705	238 %

The provision for income taxes increased by $2.7 million in the three months ended January 31, 2022 compared to the same period of the prior year. Our effective tax rate was (7)% and (3)% of our net loss before taxes for the three months ended January 31, 2022 and 2021, respectively. Our effective tax rate is affected by recurring items, such as tax rates in jurisdictions outside the Netherlands and the relative amounts of income we earn in those jurisdictions. The increase in tax expense is driven primarily by growth in income in foreign jurisdictions for which we are not subject to valuation allowances or net operating losses.

Comparison of Nine Months Ended January 31, 2022 and 2021

Revenue

	Nine Months Ended January 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Revenue				
License - self-managed	$ 54,457	$ 45,673	$ 8,784	19 %
Subscription - self-managed and SaaS	522,599	357,127	165,472	46 %
Total subscription revenue	577,056	402,800	174,256	43 %
Professional services	45,963	28,079	17,884	64 %
Total revenue	$ 623,019	$ 430,879	$ 192,140	45 %

Total revenue increased by $192.1 million, or 45%, in the nine months ended January 31, 2022, compared to the same period of the prior year.

Total subscription revenue increased $174.3 million, or 43%, in the nine months ended January 31, 2022 compared to the same period of the prior year. The increase in revenue was primarily caused by volume-driven increases from new business, as existing customers purchased additional subscriptions and we grew our subscription customer base to over 17,900 customers compared to over 13,800 customers in the same period of the prior year.

Professional services revenue increased by $17.9 million, or 64%, in the nine months ended January 31, 2022, compared to the same period of the prior year. The increase in professional services revenue was attributable to increased adoption of our professional services offerings.

Cost of Revenue and Gross Margin

	Nine Months Ended January 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Cost of revenue				
Cost of license - self-managed	$ 1,242	$ 1,039	$ 203	20 %
Cost of subscription - self-managed and SaaS	126,097	86,464	39,633	46 %
Total cost of revenue - subscription	127,339	87,503	39,836	46 %
Cost of professional services	37,491	27,744	9,747	35 %
Total cost of revenue	$ 164,830	$ 115,247	$ 49,583	43 %
Gross profit	$ 458,189	$ 315,632	$ 142,557	45 %
Gross margin:				
License - self-managed	98 %	98 %		
Subscriptions - self-managed and SaaS	76 %	76 %		
Total subscription margin	78 %	78 %		
Professional services	18 %	1 %		
Total gross margin	74 %	73 %		

Total cost of subscription revenue increased by $39.8 million, or 46%, in the nine months ended January 31, 2022 compared to the same period of the prior year. This increase was primarily due to an increase of $29.7 million in cloud hosting costs and an increase of $5.3 million in personnel and related costs due to growth in headcount in our support organization. In addition, partner fees expenses increased by $1.5 million, intangible asset amortization increased by $1.0 million, and consulting costs increased by $0.8 million. The increase in personnel and related costs includes an increase of $3.8 million in salaries and related taxes, an increase of $1.2 million in stock-based compensation expense, and an increase of $0.3 million in employee benefits expense.

Total subscription margin was flat at 78% for each of the nine months ended January 31, 2022 compared to the nine months ended January 31, 2021.

Cost of professional services revenue increased by $9.7 million, or 35%, in the nine months ended January 31, 2022 compared to the same period of the prior year. This increase was primarily due to an increase of $4.9 million in personnel and related costs, including an increase of $3.4 million in salaries and related taxes, and an increase of $1.3 million in stock-based compensation. In addition, subcontractor costs also increased by $4.0 million.

Gross margin for professional services revenue was 18% in the nine months ended January 31, 2022 compared to 1% in the nine months ended January 31, 2021. The increase in margin is primarily due to the increase in revenue, and a lower than proportionate increase in cost of professional services revenue. We continue to invest in headcount for our professional services organization that we believe will be needed as we continue to grow and expect travel related costs will increase in the future as COVID-19 risks and travel restrictions abate. Our gross margin for professional services may fluctuate, decline or be negative in the near-term as we seek to expand our professional services business.

Operating Expenses

Research and development

	Nine Months Ended January 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Research and development	$ 194,894	$ 143,766	$ 51,128	36 %

Research and development expense increased by $51.1 million, or 36%, in the nine months ended January 31, 2022 compared to the same period of the prior year as we continued to invest in the development of new and existing offerings. Personnel and related costs increased by $45.4 million and software and equipment expense increased by $1.0 million primarily as a result of growth in headcount. Cloud hosting costs also increased by $2.1 million and consulting expense increased by $1.9 million. The increase in personnel and related costs includes an increase of $21.5 million in salaries and related taxes, an increase of $17.5 million in stock-based compensation expense, an increase of $3.7 million in acquisition related compensation, and an increase of $1.6 million in employee benefits expense.

Sales and marketing

	Nine Months Ended January 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Sales and marketing	$ 288,055	$ 191,712	$ 96,343	50 %

Sales and marketing expense increased by $96.3 million, or 50%, in the nine months ended January 31, 2022 compared to the same period of the prior year. This increase was primarily due to an increase of $78.1 million in personnel related costs and an increase of $2.9 million in software and equipment charges due to growth in headcount. In addition, marketing expenses increased $10.1 million, travel costs increased by $2.9 million and consulting expense increased by $2.0 million. The increase in personnel and related costs includes an increase of $44.0 million in salaries and related taxes, an increase of $18.0 million in commission expense related to the amortization of contract acquisition costs, an increase of $8.3 million in stock-based compensation expense and, an increase of $4.6 million in employee benefits expense.

General and administrative

	Nine Months Ended January 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
General and administrative	$ 89,298	$ 72,555	$ 16,743	23 %

General and administrative expense increased by $16.7 million, or 23%, in the nine months ended January 31, 2022 compared to the same period of the prior year. This increase was primarily due to an increase of $8.3 million in legal and professional fees. In addition, personnel and related costs increased by $5.9 million and software and equipment expense increased by $0.9 million due to headcount growth. Consulting costs also increased by $1.2 million. The increase in personnel and related costs includes an increase of $4.0 million in stock-based compensation expense, an increase of $2.2 million in salaries and related taxes, and an increase of $0.6 million in employee benefits expense which were partially offset by a decrease in other miscellaneous employee related expenses of $0.9 million.

Other Income (Expense), Net

	Nine Months Ended January 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Other income (expense), net	$ (14,836)	$ 8,424	$ (23,260)	(276)%

Other expense, net was $14.8 million in the nine months ended January 31, 2022 compared to other income, net of $8.4 million for the same period of the prior year. This was due to a decrease in foreign currency gain of $8.9 million and an increase of $14.4 million in interest expense due to issuance of long-term debt during the first quarter of the current fiscal year.

Provision for Income Taxes

	Nine Months Ended January 31,		Change	
	2022	2021	$	%
	(dollars in thousands)			
Provision for income taxes	$ 9,344	$ 2,156	$ 7,188	333 %

The provision for income taxes increased $7.2 million in the nine months ended January 31, 2022 compared to the same period in the prior year. Our effective tax rate was (7)% and (3)% of our net loss before taxes for the nine months ended January 31, 2022 and 2021, respectively. Our effective tax rate is affected by recurring items, such as tax rates in jurisdictions outside the Netherlands and the relative amounts of income we earn in those jurisdictions. The increase in tax expense from the prior year is due to an increase in income in foreign jurisdictions for which we are not subject to valuation allowances or net operating losses and an increase in withholding tax expense.

Liquidity and Capital Resources

As of January 31, 2022, we had cash and cash equivalents and restricted cash of $864.4 million and $3.9 million, respectively, and working capital of $601.5 million. Our restricted cash consists primarily of cash on deposit with financial institutions in support of letters of credit in favor of landlords for non-cancelable lease agreements. We have generated significant operating losses from our operations as reflected in our accumulated deficit of $751.6 million as of January 31, 2022. We have historically incurred, and expect to continue to incur, operating losses and may generate negative cash flows from operations on an annual basis for the foreseeable future due to the investments we intend to make as described above, and as a result, we may require additional capital resources to execute on our strategic initiatives to grow our business.

We believe that our existing cash and cash equivalents will be sufficient to fund our operating and capital needs for at least the next 12 months, despite the uncertainty in the changing market and economic conditions related to COVID-19. Our assessment of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. Our actual results could vary as a result of, and our future capital requirements, both near-term and long-term, will depend on, many factors, including our growth rate, the timing and extent of spending to support our research and development efforts, the expansion of sales and marketing activities, the timing of new introductions of solutions or features, and the continuing market acceptance of our solutions and services. We may in the future enter into arrangements to acquire or invest in complementary businesses, services and technologies, including intellectual property rights. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. In July 2021, we issued long-term debt of $575.0 million, and we may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, or if we cannot expand our operations or otherwise capitalize on our business opportunities because we lack sufficient capital, our business, operating results and financial condition would be adversely affected.

The following table summarizes our cash flows for the periods presented:

	Nine Months Ended January 31,	
	2022	2021
	(in thousands)	
Net cash provided by operating activities	$ 8,722	$ 24,110
Net cash used in investing activities	$ (125,068)	$ (1,412)
Net cash provided by financing activities	$ 593,257	$ 67,554

Net Cash Provided by Operating Activities

Net cash provided by operating activities during the nine months ended January 31, 2022 was $8.7 million, which resulted from a net loss of $138.2 million and net cash outflow of $16.3 million from changes in operating assets and liabilities, offset by non-cash charges of $163.3 million. Non-cash charges primarily consisted of $97.0 million for stock-based compensation expense, $43.4 million for amortization of deferred contract acquisition costs, $14.6 million of depreciation and intangible asset amortization expense, $6.3 million in non-cash operating lease costs, $1.7 million of foreign currency transaction losses, $0.6 million of amortization of debt issuance costs, and $0.1 million of other expenses which were partially offset by an increase in deferred income taxes of $0.2 million. The net cash outflow from changes in operating assets and liabilities was the result of an increase in deferred contract acquisition costs of $61.2 million as our sales commissions increased due to increased business volume, a decrease of $6.4 million in operating lease liabilities, and an increase of $3.5 million in prepaid expenses and other assets. These outflows were partially offset by a net increase of $36.7 million in accounts payable, accrued expenses, accrued compensation and benefits and a decrease of $9.8 million in accounts receivable, and an increase of $8.3 million in deferred revenue.

Net cash provided by operating activities during the nine months ended January 31, 2021 was $24.1 million, which resulted from a net loss of $86.1 million adjusted for non-cash charges of $102.1 million and net cash inflow of $8.1 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of $65.3 million for stock-based compensation expense, $28.5 million for amortization of deferred contract acquisition costs, $12.9 million of depreciation and intangible asset amortization expense, and $5.3 million in non-cash operating lease costs which were partially offset by a foreign currency transaction gain of $9.5 million and an increase in deferred income taxes of $0.3 million. The net cash inflow from changes in operating assets and liabilities was the result of an increase of $53.3 million in deferred revenue, a decrease in accounts receivable of $15.2 million, and a decrease of $10.1 million in prepaid expenses and other assets. These inflows were partially offset by an increase in deferred contract acquisition costs of $54.6 million as our sales commissions increased due to the addition of new customers and expansion of our existing customer subscriptions, a net decrease of $10.5 million in accounts payable, accrued expenses, accrued compensation and benefits, and a $5.4 million decrease in operating lease liabilities.

Net Cash Used in Investing Activities

Net cash used in investing activities during the nine months ended January 31, 2022 was $125.1 million due to cash used in the acquisitions of $119.9 million, capitalization of $4.2 million in internal-use software costs and $1.0 million of capital expenditures.

Net cash used in investing activities during the nine months ended January 31, 2021 was $1.4 million due to $2.7 million of capital expenditures, offset by cash provided by other investing activities of $1.3 million.

Net Cash Provided by Financing Activities

Net cash provided by financing activities during the nine months ended January 31, 2022 was $593.3 million due to the proceeds of $575.0 million from debt issuance and $27.5 million of proceeds from stock option exercises partially offset by $9.3 million payments of debt issuance costs.

Net cash provided by financing activities during the nine months ended January 31, 2021 was $67.6 million due to proceeds from stock option exercises during the period.

Off Balance Sheet Arrangements

We did not have during the periods presented and we do not currently have any off balance sheet financing arrangements or any relationships with any unconsolidated entities or financial partnerships, including entities referred to as structured finance or special purpose entities, which were established for the purpose of facilitating off balance sheet arrangements or other contractually narrow or limited purposes.

Contractual Obligations and Commitments

Our principal commitments consist of obligations under our operating leases, which are primarily for office space, and purchase commitments to our cloud hosting providers. Except for those disclosed in Note 7 “Senior Notes” of our accompanying Notes to Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q, there have been no material changes to our contractual obligations and commitments discussed in our Annual Report on Form 10-K for the year ended April 30, 2021.

Recently Issued Accounting Pronouncements

Refer to Note 2 of our accompanying Notes to Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q for recently adopted accounting pronouncements and new accounting pronouncements not yet adopted as of the date of this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have operations both within the United States and internationally, and we are exposed to market risk in the ordinary course of our business.

Interest Rate Risk

We had cash, cash equivalents, and restricted cash of $868.3 million as of January 31, 2022. Our cash, cash equivalents, and restricted cash are held in cash deposits and money market funds. The primary objectives of our investment activities are the preservation of capital, the fulfillment of liquidity needs and the fiduciary control of cash and investments. We do not enter into investments for trading or speculative purposes. Due to the short-term nature of these instruments, we do not believe that an immediate 10% increase or decrease in interest rates would have a material effect on the fair value of our investment portfolio. Declines in interest rates, however, would reduce our future interest income.

In July 2021, we issued $575.0 million aggregate principal amount of 4.125% Senior Notes due 2029 in a private placement. The fair values of the Senior Notes are subject to market risk. In addition, the fair market value of the Senior Notes is exposed to interest rate risk. Generally, the fair market value of our fixed interest rate Senior Notes will increase as interest rates fall and decrease as interest rates rise. The interest rate and market value changes affect the fair value of the Senior Notes, but do not impact our financial position, cash flows or results of operations due to the fixed nature of the debt obligation. Additionally, we carry the Senior Notes at face value less unamortized debt issuance cost on our balance sheet, and we present the fair value for required disclosure purposes only.

Foreign Currency Risk

The majority of our revenue and expenses are denominated in U.S. dollars. To date, we have not had a formal hedging program with respect to foreign currency, but we may do so in the future if our exposure to foreign currency should become more significant. For business conducted outside of the United States, we may have both revenue and costs incurred in the local currency of the subsidiary, creating a partial natural hedge. Changes to exchange rates therefore have not had a significant impact on our operating results to date; however, we will continue to reassess our foreign exchange exposure as we continue to grow our business globally.

We have experienced and will continue to experience fluctuations in net loss as a result of transaction gains or losses related to remeasurement of certain asset and liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded. An immediate 10% increase or decrease in the relative value of the U.S. dollar to other currencies could have a material effect on our net loss. As a component of other income, net, we recognized a foreign currency transaction loss of $0.6 million and a foreign currency transaction gain of $8.3 million in the nine months ended January 31, 2022 and 2021, respectively.

As of January 31, 2022, our cash, cash equivalents, and restricted cash were primarily denominated in U.S. dollars, Euros, and Great British Pounds. A 10% increase or decrease in current exchange rates would have an impact of approximately $17.4 million on our cash, cash equivalents, and restricted cash balances.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. However, if our costs, in particular personnel, sales and marketing and hosting costs, were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, operating results and financial condition.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain “disclosure controls and procedures,” as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that

information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of January 31, 2022, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in the reports we file or submit under the Exchange Act (a) is recorded, processed, summarized and reported within the time periods specified by the SEC rules and forms and (b) is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information called for by this Item is incorporated herein by reference to Note 8 of our accompanying Notes to Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q.

From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, including patent, commercial, product liability, employment, class action, whistleblower and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. In addition, third parties may from time to time assert claims against us in the form of letters and other communications. We are not currently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition or cash flows. Future litigation may be necessary to defend ourselves, our partners and our customers by determining the scope, enforceability and validity of third-party proprietary rights, or to establish our proprietary rights. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

ITEM 1A. RISK FACTORS

A description of the risks and uncertainties associated with our business, industry and ownership of our ordinary shares is set forth below. You should carefully consider the following risks, together with all of the other information in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and the related notes thereto, before making a decision to invest in our ordinary shares. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that affect us. If any of the following risks occur, our business, financial condition, operating results and prospects could be materially and adversely affected. In that event, the price of our ordinary shares could decline, and you could lose part or all of your investment. In addition, the impact of the COVID-19 pandemic and any worsening of the economic environment may exacerbate the risks described below, any of which could have a material impact on us, and additional impacts may arise that we are not currently aware of.

The following is a summary of the key risks and uncertainties associated with our business, industry and ownership of our ordinary shares. The below summary does not contain all of the information that may be important to you, and you should read this summary together with the more detailed description of each risk factor contained in the subheadings below.

- If we do not appropriately manage future growth or are unable to improve our systems and processes, our business and results of operations will be adversely affected.
- We have a history of losses and may not be able to achieve profitability on a consistent basis or at all or positive cash flows on a consistent basis.
- Our future growth, business and results of operations will be harmed if we are not able to keep pace with technological and competitive developments, increase sales of our subscriptions to new and existing customers, renew existing customers' subscriptions, increase adoption of our hosted offerings, respond effectively to evolving markets or offer high quality support services.
- Our ability to grow our business will depend, in part, on the expansion and adoption of our hosted offerings.
- Russia's invasion of Ukraine and resulting international political crisis could have significant negative economic consequences on the businesses of our customers and partners and negatively impact their spending on our offerings.
- Any actual or perceived failure by us to comply with regulations or any other obligations relating to privacy, data protection or information security could adversely affect our business.
- Due to political uncertainty and military actions associated with Russia's invasion of Ukraine, we and our third-party vendors and service providers are vulnerable to a heightened risk of cybersecurity attacks, phishing attacks, viruses, malware, ransomware, hacking or similar breaches from nation-state actors.
- The ongoing COVID-19 pandemic could harm our business and results of operations.
- Our operating results may fluctuate from quarter to quarter.
- Our decision to no longer offer Elasticsearch and Kibana under an open source license may harm the adoption of Elasticsearch and Kibana.

- We could be negatively impacted if the Elastic License or the Server Side Public License under which some of our software is licensed are not enforceable.
- Because of the permissive rights accorded to third parties under our open source and source available licenses, there are limited technological barriers to entry into the markets in which we compete.
- We may not be able to effectively develop and expand our sales and marketing capabilities.
- Because we recognize a significant portion of the revenue from subscriptions over the term of the relevant subscription period, downturns or upturns in sales are not immediately reflected in full in our results of operations.
- A real or perceived defect, security vulnerability, error, or performance failure in our software could cause us to lose revenue, damage our reputation, and expose us to liability.
- Incorrect implementation or use of our software could negatively affect our business, operations, financial results, and growth prospects.
- Third parties may offer inadequate or defective implementations of software that we have previously made available under an open source license and our reputation could be harmed.
- Breaches of security measures or unauthorized access to, or other processing of, confidential information, including personal data, may result in our software being perceived as not secure, customers reducing or stopping usage of our products, and we may incur significant liabilities.
- Interruptions or performance problems, and our reliance on technologies from third parties may adversely affect our business operations and financial results.
- If our channel partners fail to perform or we are unable to maintain successful relationships with them or our other partners, our ability to market, sell and distribute our solution will be more limited, and our results of operations could be harmed.
- Failure to protect our proprietary technology and intellectual property rights could substantially harm our business and results of operations.
- We could incur substantial costs as a result of any claim of infringement, misappropriation or violation of another party's intellectual property rights, including as a result of the indemnity provisions in various agreements.
- Our use of third-party open source software within our products could negatively affect our ability to sell our products and subject us to possible litigation.
- One of our marketing strategies is to offer some of our product features for free and to provide free trials to some of our paid features, and we may not be able to realize the benefits of this strategy.
- Our international business exposes us to several risks, and if we are not successful in sustaining and expanding our international business, we may incur additional losses and our revenue growth could be harmed.
- A portion of our revenue is generated by sales to government entities, and this creates a number of challenges and risks.
- Our business is subject to a variety of government and industry regulations, as well as other obligations, related to privacy, data protection and information security and compliance with export control, trade sanctions, anti-bribery, anti-corruption, and anti-money laundering laws.
- We rely on channel partners to execute a portion of our sales, if our channel partners fail to perform, our results of operations and reputation could be harmed.
- The market price for our ordinary shares has been and is likely to continue to be volatile.
- The concentration of our share ownership with insiders will likely limit your ability to influence corporate matters.
- We have a substantial amount of indebtedness and may not be able to generate sufficient cash to service all of our indebtedness.
- Dutch law and our articles of association include certain anti-takeover provisions.
- If industry or financial analysts do not publish research or reports about our business, or if they issue inaccurate or unfavorable research regarding our ordinary shares, our share price and trading volume could decline.
- Claims of U.S. civil liabilities may not be enforceable against us.
- We may fail to maintain an effective system of disclosure controls and internal control over financial reporting.

Risks Related to our Business and Industry

Our business and operations have experienced rapid growth, and if we do not appropriately manage future growth, if any, or are unable to improve our systems and processes, our business, financial condition, results of operations, and prospects will be adversely affected.

We have experienced rapid growth and increased demand for our offerings. Our employee headcount and number of customers have increased significantly. For example, our total number of customers has grown from over 2,800 as of April 30, 2017 to over 17,900 as of January 31, 2022. Further, while our employee headcount has grown as we have been implementing our growth plans, we may modify our pace of hiring to align with our growth plans. The growth and expansion of our business and offerings places a continuous and significant strain on our management, operational, and financial resources. In addition, as customers adopt our technology for an increasing number of use cases, we have had to support more complex commercial relationships. We may not be able to hire, train and retain enough qualified employees, and we may not be able to hire, train and onboard new employees fast or effectively enough, to maintain our growth plans. We must continue to improve and expand our information technology and financial infrastructure, our operating and administrative systems, our relationships with various partners and other third parties, and our ability to manage headcount and processes in an efficient manner to manage our growth to date and any future growth effectively.

We may not be able to sustain the diversity and pace of improvements to our offerings successfully or implement systems, processes, and controls in an efficient or timely manner or in a manner that does not negatively affect our results of operations. Our failure to improve our systems, processes, and controls, or their failure to operate in the intended manner, may result in our inability to manage the growth of our business and to forecast our revenue, expenses, and earnings accurately, or to prevent losses.

As we expand our business, we may find it difficult to maintain our corporate culture while managing our employee growth. Any failure to manage our anticipated growth and related organizational changes in a manner that preserves our culture could negatively impact future growth and achievement of our business objectives. Additionally, our productivity and the quality of our offerings may be adversely affected if we do not integrate and train our new employees quickly and effectively. Failure to manage any future growth effectively could result in increased costs, negatively affect our customers' satisfaction with our offerings, and harm our results of operations.

We have a history of losses and may not be able to achieve profitability on a consistent basis or at all, and may not be able to achieve positive cash flows on a consistent basis. As a result, our business, financial condition, and results of operations may suffer.

We have incurred losses in all years since our incorporation. We incurred a net loss of $138.2 million for the nine months ended January 31, 2022 and $129.4 million and $167.2 million in the years ended April 30, 2021 and 2020, respectively. As a result, we had an accumulated deficit of $751.6 million as of January 31, 2022. We anticipate that our operating expenses will increase substantially in the foreseeable future as we continue to enhance our offerings, broaden our customer base and pursue larger transactions, expand our sales and marketing activities, expand our operations, hire additional employees, and continue to develop our technology. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently, or at all, to offset these higher expenses. Revenue growth may slow or revenue may decline for a number of possible reasons, including slowing demand for our offerings, increasing competition, or economic downturns, including as a result of the COVID-19 pandemic. You should not consider our revenue growth in recent periods as indicative of our future performance. Any failure to increase our revenue or grow our business could prevent us from achieving profitability at all or on a consistent basis, which would cause our business, financial condition, and results of operations to suffer. Additionally, although we generated positive cash flow in fiscal 2021, any failure to grow our business could prevent us from achieving positive cash flow on a consistent basis, which would cause our business, financial condition, and results of operations to suffer.

We may not be able to compete successfully against current and future competitors.

The market for our products is highly competitive, quickly evolving, and subject to rapid changes in technology. We believe that our ability to compete depends upon many factors both within and beyond our control, including the following:

- product capabilities, including speed, scale, and relevance, with which to power search experiences;
- an extensible product "stack" that enables developers to build a wide variety of solutions;
- powerful and flexible technology that can manage a broad variety and large volume of data;
- ease of deployment and ease of use;
- ability to address a variety of evolving customer needs and use cases;

- strength and execution of sales and marketing strategies;
- flexible deployment model across public or private clouds, hybrid environments, or traditional on-premises environments;
- productized solutions engineered to be rapidly adopted to address specific applications;
- mindshare with developers and IT executives;
- adoption of products by many types of users and decision makers (developers, architects, DevOps personnel, IT professionals, security analysts, and departmental and organizational leaders);
- enterprise-grade technology that is secure and reliable;
- size of customer base and level of user adoption;
- quality of training, consulting, and customer support;
- brand awareness and reputation; and
- low total cost of ownership.

We face competition from both established and emerging competitors. Our current primary competitors generally fall into the following categories:

- For Enterprise Search (app search, site search, and workplace search): incumbent offerings such as Solr (open source offering), Lucidworks Fusion, search tools including Google Custom Search Engine (an advertisement-based site search tool with limited user controls), and workplace search tools including Coveo, Endeca (owned by Oracle) and Autonomy (owned by Micro Focus).
- For Observability (logging, metrics, application performance monitoring ("APM"), and uptime monitoring): software vendors with specific observability solutions to analyze logging data, metrics, APM data, or infrastructure uptime, such as Splunk, New Relic, Dynatrace, AppDynamics (owned by Cisco Systems) and Datadog.
- For Security (SIEM and endpoint security): security analytics solutions vendors such as Splunk and Azure Sentinel (by Microsoft) and endpoint security vendors such as CrowdStrike, Carbon Black (owned by VMware), McAfee and Symantec (owned by Broadcom).
- Certain cloud hosting providers and managed service providers, including Amazon Web Services, that offer products based on a forked version of the Elastic Stack. These offerings are not supported by Elastic and come without any of Elastic's proprietary features, whether free or paid.

Some of our current and potential competitors have longer operating histories, significantly greater financial, technical, marketing and other resources, stronger brand recognition, broader global distribution and presence, more established relationships with current or potential customers and partners, and larger customer bases than we do. These factors may allow our competitors to respond more quickly than we can to new or emerging technologies and changes in customer preferences. These competitors may engage in more extensive research and development efforts, undertake more far-reaching and successful sales and marketing campaigns, have more experienced sales professionals, execute more successfully on their go-to-market strategy and have greater access to more markets and decision makers, and adopt more aggressive pricing policies which may allow them to build larger customer bases than we have. New start-up companies that innovate and large competitors that are making significant investments in research and development may develop similar offerings that compete with our offerings or that achieve greater market acceptance than our offerings. This could attract customers away from our offerings and reduce our market share. If we are unable to anticipate or react to these competitive challenges, our competitive position would weaken, which would adversely affect our business and results of operations.

Our limited operating history makes it difficult to evaluate our current business and prospects and may increase the risks associated with your investment.

We were founded in 2012. Our limited operating history makes it difficult to evaluate our current business and our future prospects, including our ability to plan for and model future growth. We have encountered and will continue to encounter risks and difficulties frequently experienced by rapidly growing companies in constantly evolving industries, including the risks described in this Quarterly Report on Form 10-Q. If we do not address these risks successfully, our business and results of operations will be adversely affected, and the market price of our ordinary shares could decline.

Further, we have limited historical financial data, and we operate in a rapidly evolving market. As such, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market.

If we are not able to keep pace with technological and competitive developments, our business will be harmed.

The market for search technologies, including enterprise search, observability and security, is subject to rapid technological change, evolving industry standards, and changing regulations, as well as changing customer needs, requirements and preferences. Our success depends upon our ability to enhance existing products, expand the use cases of our products, anticipate and respond to changing customer needs, requirements and preferences, and develop and introduce in a timely manner new offerings that keep pace with technological and competitive developments. We have in the past experienced delays in releasing new products, deployment options and product enhancements and may experience similar delays in the future. As a result, in the past, some of our customers deferred purchasing our products until the next upgrade was released. Future delays or problems in the installation or implementation of our new releases may cause customers to forgo purchases of our products and purchase those of our competitors instead.

Additionally, the success of new product introductions depends on a number of factors including, but not limited to, timely and successful product development, market acceptance, our ability to manage the risks associated with new product releases, the availability of software components for new products, the effective management of development and other spending in connection with anticipated demand for new products, the availability of newly developed products, and the risk that new products may have bugs, errors, or other defects or deficiencies in the early stages of introduction. We have in the past experienced bugs, errors, or other defects or deficiencies in new products and product updates and may have similar experiences in the future. Furthermore, our ability to increase the usage of our products depends, in part, on the development of new use cases for our products, which is typically driven by our developer community and may be outside of our control. We also have invested, and may continue to invest, in the acquisition of complementary businesses, technologies, services, products and other assets that expand the products that we can offer our customers, such as our recent acquisitions of build.security, Cmd and Optimyze and other past acquisitions. We may make these investments without being certain that they will result in products or enhancements that will be accepted by existing or prospective customers. Additionally, even if we are able to develop new products and product enhancements, we cannot ensure that they will achieve market acceptance. If we are unable to successfully enhance our existing products to meet evolving customer requirements, increase adoption and usage of our products, develop new products, or if our efforts to increase the usage of our products are more expensive than we expect, then our business, results of operations and financial condition would be adversely affected.

Our ability to grow our business will depend, in part, on the expansion and adoption of our hosted offerings.

We believe our future success will depend, in part, on the growth in the adoption of Elastic Cloud, our family of hosted offerings. We have and will continue to incur substantial costs to develop, sell and support our Elastic Cloud offerings. We believe that we must offer a family of hosted products to address the market segment that prefers a cloud-based solution to a self-managed solution and that there will be increasing demand for cloud-based offerings of our products. In the nine months ended January 31, 2022 and 2021 Elastic Cloud contributed 34% and 27% of our total revenue, respectively. For the years ended April 30, 2021 and 2020, Elastic Cloud contributed 27% and 22% of our total revenue, respectively. However, as the use of cloud-based computing solutions is rapidly evolving, it is difficult to predict the potential growth, if any, of general market adoption, customer adoption and retention rates of our cloud-based offerings. There could be decreased demand for our cloud-based offerings due to reasons within or outside of our control, including, among other things, lack of customer acceptance, technological challenges with bringing cloud offerings to market and maintaining those offerings, information security, data protection or privacy concerns, our inability to properly manage and support our cloud-based offerings, competing technologies and products, weakening economic conditions, and decreases in corporate spending. For example, Amazon Web Services offers hosted products based on a forked version of the Elastic Stack. As such, Amazon competes with us for potential customers, and while Amazon cannot provide our proprietary software, Amazon's offerings may reduce the demand for our offerings and the pricing of Amazon's offerings may limit our ability to adjust the price of our products. If we are not able to develop, market or deliver cloud-based offerings that satisfy customer requirements technically or commercially, or if our investments in cloud-based offerings do not yield the expected return, or if we are unable to decrease the cost of providing our cloud-based offerings, our business, competitive position, financial condition and results of operations may be harmed.

The markets for some of our products are evolving, and our future success depends on the growth and expansion of these markets and our ability to adapt and respond effectively to evolving markets.

The markets for certain of our products, such as our Enterprise Search, Observability and Security solutions, are evolving and our products are relatively new in these markets. Accordingly, it is difficult to predict continued customer adoption and renewals for these products, customers' demand for these products, the size, growth rate, expansion, and longevity of these markets, the entry of competitive products, or the success of existing competitive products. Our ability to penetrate these evolving markets depends on a number of factors, including the cost, performance, and perceived value associated with our products. If these markets do not continue to grow as expected, or if we are unable to anticipate or react to changes in these markets, our competitive position would weaken, which would adversely affect our business and results of operations.

In connection with the operation of our business, we collect, store, transfer and otherwise process certain personal data. As a result, our business is subject to a variety of government and industry regulations, as well as other obligations, related to privacy, data protection and information security. Any actual or perceived failure by us to comply with such regulations or any other obligations relating to privacy, data protection or information security could adversely affect our business.

In the operation of our business, we collect, store, transfer and otherwise process personal data. As a result, we are subject to a variety of federal, state, local and foreign laws and regulations governing privacy, data protection, information security and the collection, storage, transfer, use, retention, sharing, disclosure, protection and processing of personal data. Privacy, data protection and information security are significant issues in various jurisdictions where we offer our products. The regulatory frameworks for these issues worldwide are rapidly evolving and are likely to remain uncertain for the foreseeable future. Federal, state, or non-U.S. government bodies or agencies have in the past adopted, and may in the future adopt, new laws and regulations or may make amendments to existing laws and regulations affecting data protection, data privacy and/or information security and/or regulating the use of the Internet as a commercial medium. For example, on January 1, 2020, the California Consumer Privacy Act (the "CCPA") went into effect and enforcement of the CCPA by the California Attorney General commenced July 1, 2020. The CCPA imposes obligations on businesses that process California consumers' personal data, including an obligation to provide certain disclosures to California consumers, and affords California consumers new rights, including the right to opt out of certain sales of personal data. We cannot fully predict the impact of the CCPA on our business or operations, but we have modified and may be required to further modify our data processing practices and policies and to incur substantial costs and expenses in connection with our compliance or the compliance of our customers or vendors. The CCPA also provides for civil penalties and a private right of action for certain data breaches, which may increase our compliance costs and potential liability. Additionally, the California Privacy Rights Act ("CPRA") was approved by California voters in the November 3, 2020 election and significantly modifies the CCPA. The CPRA creates obligations relating to consumer personal data beginning on January 1, 2022, with implementing regulations expected on or before July 1, 2022, and enforcement beginning July 1, 2023. We will continue to monitor developments related to the CPRA and anticipate additional costs and expenses associated with CPRA compliance. Other U.S. states also are considering or have enacted omnibus privacy legislation. On March 2, 2021, Virginia enacted the Virginia Consumer Data Protection Act, which becomes effective on January 1, 2023, and on June 8, 2021, Colorado enacted the Colorado Privacy Act, which becomes effective on July 1, 2023. Many obligations under the CCPA and these other laws and legislative proposals remain uncertain, and we cannot fully predict their impact on our business. Further, industry organizations regularly adopt and advocate for new standards in these areas. If we fail to comply with any of these laws or standards, we may be subject to investigations, enforcement actions, civil litigation, fines and other penalties, all of which may generate negative publicity and have a negative impact on our business.

Additionally, in the United States, we may be subject to investigation and/or enforcement actions brought by federal agencies and state attorneys general and consumer protection agencies. We publicly post statements and other documentation regarding our practices concerning the processing, use and disclosure of personal data. Although we endeavor to comply with our published statements and documentation, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy statement and other documentation that provide promises and assurances about privacy, data protection and information security can subject us to potential state and federal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices.

Internationally, most jurisdictions in which we operate have established their own privacy, data protection and information security legal frameworks with which we or our customers must comply. Within the European Union, the General Data Protection Regulation ("GDPR") became fully effective on May 25, 2018, and applies to the processing (which includes the collection and use) of personal data. The GDPR imposes significant obligations and risk upon our business and provides for substantial penalties to which we could be subject in the event of any non-compliance. Administrative fines under the GDPR can amount up to 20 million Euros or four percent of the group's annual global turnover, whichever is higher. Further, the United Kingdom has implemented legislation that substantially implements the GDPR in the United Kingdom, which legislation provides for penalties for violations of up to the greater of 17.5 million British pounds or four percent of the group's annual global turnover. Following the exit of the United Kingdom from the European Union however, aspects of U.K. data protection law and the relationship of the United Kingdom and the European Union in the medium to longer term remain unclear, including with respect to how data transfers to and from the United Kingdom will be regulated. On June 28, 2021, the European Commission announced a decision of "adequacy" concluding that the United Kingdom ensures an equivalent level of data protection to the GDPR, which provides some relief regarding the legality of continued personal data flows from the European Economic Area ("EEA") to the United Kingdom. Some uncertainty remains, however, as this adequacy determination must be renewed after four years and may be modified or revoked in the interim.

We have incurred substantial expense in complying with privacy, data protection and information security legal frameworks and we may be required to make additional, significant changes in our business operations, all of which may adversely affect our revenue and our business overall. Additionally, because these new regimes lack a substantial enforcement history, we are unable to predict how emerging standards may be applied to us. Despite our efforts to attempt to comply with

new data protection obligations, a regulator may determine that we have not done so and subject us to fines and public censure, which could harm our company.

Among other requirements, the GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States. Some countries also are considering or have passed legislation requiring local storage and processing of data, or similar requirements, which could increase the cost and complexity of delivering our services. We have undertaken certain efforts to conform transfers of personal data from the EEA, to the United States and other jurisdictions based on our understanding of current regulatory obligations and the guidance of data protection authorities, including using the standard contractual clauses approved by the European Commission (the "SCCs") and performing international transfer impact assessments. Despite this, we may be unsuccessful in maintaining conforming means of transferring such data from the EEA, Switzerland, or the United Kingdom, in particular as a result of continued legal and legislative activity that has challenged or called into question existing means of data transfers to countries that have not been found to provide adequate protection for personal data.

The regulatory environment applicable to handling of EEA residents' personal data, and our actions taken in response, may cause us to assume additional liabilities or incur additional costs. In the *Schrems II* decision issued by the Court of Justice of the European Union ("CJEU") on July 16, 2020, the CJEU, among other things, imposed additional obligations on companies when relying on the SCCs. EEA regulators since have provided guidance regarding use of the SCCs, and on June 4, 2021, the European Commission issued new SCCs. On February 2, 2022, the United Kingdom's Information Commissioner's Office issued new standard contractual clauses to support personal data transfers out of the United Kingdom ("UK SCCs"). If approved by the United Kingdom Parliament, the UK SCCs will become effective March 21, 2022, and we may, in addition to other impacts, experience additional costs associated with increased compliance burdens and be required to engage in new contract negotiations with third parties that aid in processing personal data on our behalf or localize certain personal data. As a result of these developments, we and our customers may face regulators in the EEA, Switzerland, and the United Kingdom applying different standards to certain data transfers or requiring additional steps in connection with data transfers, and may be required to engage in new contract negotiations with third parties that aid in processing data on our behalf. We may be unsuccessful in maintaining legitimate means for our transfer and receipt of personal data from the EEA, Switzerland and the United Kingdom and may experience hesitancy, reluctance, or refusal by customers to continue to use our products due to the potential risk exposure to such customers as a result of sentiment in the EEA, Switzerland and the United Kingdom regarding international data transfers and data protection obligations imposed on them. We may find it necessary to establish systems to maintain personal data originating from the EEA, Switzerland, or the United Kingdom in such regions, or may need to take other steps with respect to data handling and data transfers, including means to provide for local data processing, which may involve substantial expense and may require us to divert resources from other aspects of our business, all of which may adversely affect our business. We and our customers may face a risk of enforcement actions by European data protection authorities until the time, if any, that personal data transfers to us and by us from the EEA are legitimized under European law. These and the other risks described above could result in harm to our business, operating results and financial condition.

In addition to government regulation, privacy advocates and industry groups have established or may establish new and different self-regulatory standards that may legally or contractually apply to us. One example of such a self-regulatory standard is the Payment Card Industry Data Security Standard ("PCI DSS"), which relates to the processing of payment card information. In the event we or our payment processors fail to comply with the PCI DSS, fines and other penalties could result, and we may suffer reputational harm and damage to our business. Further, our customers increasingly expect us to comply with more stringent privacy, data protection and information security requirements than those imposed by laws, regulations or self-regulatory requirements, and we may be obligated contractually to comply with additional or different standards relating to our handling or protection of data on or by our offerings. Any failure to meet our customers' requirements may adversely affect our revenues and prospects for growth.

We also expect that there will continue to be changes in interpretations of existing laws and regulations, or new proposed laws, regulations, and other obligations concerning privacy, data protection and information security, which could impair our or our customers' ability to collect, use or disclose information relating to consumers, which could decrease demand for our offerings, increase our costs and impair our ability to maintain and grow our customer base and increase our revenue. Because the interpretation and application of many laws and regulations relating to privacy, data protection and information security, along with industry standards, are uncertain, it is possible that these laws and regulations may be interpreted and applied in manners that are, or are alleged to be, inconsistent with our data management practices or the features of our products, and we could face fines, lawsuits, regulatory investigations and other claims and penalties, and we could be required to fundamentally change our products or our business practices, any of which could have an adverse effect on our business. For example, on January 13, 2022, the Austrian data protection authority published a decision ruling that the collection of personal data and transfer to the United States through Google Analytics and other analytics and tracking tools used by website operators violates the GDPR. On February 10, 2022, the French data protection authority issued a press release that the French data protection authority had issued a similar decision. Other data protection authorities in the European Union increasingly are focused on the use of online tracking tools and have indicated that they plan to issue similar rulings. Any restrictions on using

online analytics and tracking tools could lead to substantial costs, require significant changes to our policies and practices, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, and subject us to additional liabilities. Any inability to adequately address privacy, data protection and information security concerns, even if unfounded, or any actual or perceived failure to comply with applicable privacy, data protection or information security laws, regulations and other obligations, could result in additional cost and liability to us, damage our reputation, inhibit sales and adversely affect our business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations and policies that are applicable to the businesses of our customers may limit the use and adoption of, and reduce the overall demand for, our products. Privacy, data protection and information security concerns, whether valid or not valid, may inhibit market adoption of our products, particularly in certain industries and countries outside of the United States. If we are not able to adjust to changing laws, regulations and standards related to the Internet, our business may be harmed.

The ongoing COVID-19 pandemic could harm our business and results of operations.

The ongoing COVID-19 pandemic and efforts to control its spread have significantly curtailed the movement of people, goods and services worldwide, including in many of the regions in which we sell our products and services and conduct our business operations, negatively impacting worldwide economic activity. We have taken precautionary measures intended to help minimize the risk of the virus to our employees, our customers, and the communities in which we operate. The continued spread of the COVID-19 pandemic and the resurgence of infection rates in certain regions has caused us to continue to modify our business practices (including imposing restrictions on employee travel, adapting employee work locations, and holding events and trainings virtually), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, and business partners. There is no certainty that such measures will be sufficient to mitigate the risks posed by the virus or otherwise be satisfactory to government authorities. The full extent to which COVID-19 and our precautionary measures may continue to impact our business will depend on future developments, which continue to be highly uncertain and cannot be predicted at this time, including but not limited to, the duration and geographic spread of the pandemic, its severity, the actions to contain the virus or treat its impact, future spikes of COVID-19 infections resulting in additional preventative measures to contain or mitigate the spread of the virus, the effectiveness, distribution and acceptance of COVID-19 vaccines, including the vaccines' efficacy against emerging and more transmissible COVID-19 variants or mutant strains, and how quickly and to what extent normal economic and operating conditions can resume. It has been and, until the COVID-19 pandemic is contained and global economic activity stabilizes, will continue to be more difficult for us to forecast our operating results. The magnitude and duration of the disruption and resulting decline in business activity remains uncertain and could negatively impact our sales and marketing efforts, our ability to enter into customer contracts in a timely manner, our international expansion efforts, our ability to deliver professional services, our ability to recruit employees across the organization which, in turn, could have longer term effects on our sales pipeline, or create operational or other challenges, any of which could harm our business.

We are slowly moving toward normal operations on a market-by-market basis in accordance with local guidelines. Our approach may vary among geographies depending on local guidelines, and may change at any time, including in response to new or reimposed precautionary measures as the pandemic evolves. We may incorporate into our ongoing business operations certain business practice modifications implemented in response to the COVID-19 pandemic. These business modifications have and may continue to result in inefficiencies, delays and additional costs, including increased tax compliance obligations, that may adversely affect our business. In regions where we permit our employees to return to our offices and we resume in-person meetings and events, we may face additional challenges and incur additional costs, including those associated with workplace safety protocols, disparate regional safety guidelines and workplace or labor disputes or claims related to COVID-19, which could also negatively impact our business.

In addition, the COVID-19 pandemic has disrupted, and may continue to disrupt, the operations of our customers, vendors, channel partners and government entities for an indefinite period of time, including in specific regions of the world or sectors of the economy and as a result of travel restrictions and/or business shutdowns, all of which could negatively impact our business and results of operations, including cash flows. Further, the impact of the COVID-19 pandemic has varied significantly across different industries with certain industries experiencing increased demand for their products and services as the needs of the economy shift, while others have struggled to maintain demand for their products and services consistent with historical levels. Because we have a limited history in understanding these impacts, our ability to adapt our sales and marketing initiatives to such changes may be uncertain and our ability to forecast rates of customer retention and expansion may be negatively impacted.

Even after the COVID-19 pandemic has subsided, we may continue to experience materially adverse impacts to our business as a result of its global economic impact, including any recession, economic downturn, or increased unemployment that has occurred or may occur in the future. There has been increased scrutiny of business (including technology) spending by our customers and prospective customers, particularly in industries most impacted by the COVID-19 pandemic, longer sales cycles, as well as reduced demand for our solutions, customers failing to pay us under the terms of our agreements, increased

cyber threats, lower renewal rates by our customers and increased competition, all of which could result in a material adverse impact on our business operations and financial condition.

While we have developed and continue to develop plans intended to help mitigate the negative impacts of the pandemic on our business, these efforts may not be effective and a protracted economic downturn may limit the effectiveness of our mitigation efforts.

Our operating results are likely to fluctuate from quarter to quarter, and our financial results in any one quarter should not be relied upon as indicative of future performance.

Our results of operations, including our revenue, cost of revenue, gross margin, operating expenses, cash flow and deferred revenue, have fluctuated from quarter-to-quarter in the past and may continue to vary significantly in the future so that period-to-period comparisons of our results of operations may not be meaningful. Accordingly, our financial results in any one quarter should not be relied upon as indicative of future performance. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control, may be difficult to predict, and may or may not fully reflect the underlying performance of our business. Factors that may cause fluctuations in our quarterly financial results include:

- our ability to attract new and retain existing customers;
- the loss of existing customers;
- customer renewal rates;
- our ability to successfully expand our business in the U.S. and internationally;
- our ability to foster an ecosystem of developers and users to expand the use cases of our products;
- our ability to gain new partners and retain existing partners;
- fluctuations in the growth rate of the overall market that our products address;
- fluctuations in the mix of our revenue, which may impact our gross margins and operating income;
- the amount and timing of operating expenses related to the maintenance and expansion of our business and operations, including investments in sales and marketing, research and development and general and administrative resources;
- network outages or performance degradation of Elastic Cloud;
- actual or perceived breaches of, or failures or incidents relating to, privacy, data protection or information security;
- additions or departures of key personnel;
- the impact of catastrophic events, man-made problems such as terrorism, natural disasters and public health epidemics and pandemics;
- general political, economic, industry and market conditions;
- increases or decreases in the number of elements of our subscriptions or pricing changes upon any renewals of customer agreements;
- changes in our pricing policies or those of our competitors;
- the budgeting cycles and purchasing practices of customers;
- decisions by potential customers to purchase alternative solutions;
- decisions by potential customers to develop in-house solutions as alternatives to our products;
- insolvency or credit difficulties confronting our customers, which could adversely affect their ability to purchase or pay for our offerings;
- our ability to collect timely on invoices or receivables;
- delays in our ability to fulfill our customers' orders;
- the cost and potential outcomes of future litigation or other disputes;
- future accounting pronouncements or changes in our accounting policies;
- our overall effective tax rate, including impacts caused by any reorganization in our corporate tax structure and any new legislation or regulatory developments;
- fluctuations in stock-based compensation expense;

- fluctuations in foreign currency exchange rates;
- the timing and success of new offerings introduced by us or our competitors or any other change in the competitive dynamics of our industry, including consolidation among competitors, customers or partners;
- the timing of expenses related to the development or acquisition of technologies or businesses and potential future charges for impairment of goodwill from acquired companies; and
- other risk factors described in this Quarterly Report on Form 10-Q.

The impact of one or more of the foregoing or other factors may cause our operating results to vary significantly. For example, the full impact of the COVID-19 pandemic is unknown and continues to evolve rapidly, and could result in material adverse changes in our results of operations for an unknown period of time as the virus and its related political, social and economic impacts spread. Such fluctuations could cause us to fail to meet the expectations of investors or securities analysts, which could cause the trading price of our ordinary shares to fall substantially, and we could face costly lawsuits, including securities class action suits, which could have an adverse effect on our business.

If we are unable to increase sales of our subscriptions to new customers, sell additional subscriptions to our existing customers, or expand the value of our existing customers' subscriptions, our future revenue and results of operations will be harmed.

We offer certain features of our products with no payment required. Customers purchase subscriptions in order to gain access to additional functionality and support. Our future success depends on our ability to sell our subscriptions to new customers, including to large enterprises, and to expand the deployment of our offerings with existing customers by selling paid subscriptions to our existing users and expanding the value and number of existing customers' subscriptions. Our ability to sell new subscriptions depends on a number of factors, including the prices of our offerings, the prices of products offered by our competitors, and the budgets of our customers. We also face difficulty in displacing the products of incumbent competitors. In addition, a significant aspect of our sales and marketing focus is to expand deployments within existing customers. The rate at which our existing customers purchase additional subscriptions and expand the value of existing subscriptions depends on a number of factors, including customers' level of satisfaction with our offerings, the nature and size of the deployments, the desire to address additional use cases, and the perceived need for additional features, as well as general economic conditions. If our existing customers do not purchase additional subscriptions or expand the value of their subscriptions, our Net Expansion Rate may decline. We rely in large part on our customers to identify new use cases for our products in order to expand such deployments and grow our business. If our customers do not recognize the potential of our offerings, our business would be materially and adversely affected. If our efforts to sell subscriptions to new customers and to expand deployments at existing customers are not successful, our total revenue and revenue growth rate may decline and our business will suffer.

If our existing customers do not renew their subscriptions, it could have an adverse effect on our business and results of operations.

We expect to derive a significant portion of our revenue from renewals of existing subscriptions. Our customers have no contractual obligation to renew their subscriptions after the completion of their subscription term. Our subscriptions for self-managed deployments typically range from one to three years, while many of our Elastic Cloud customers purchase subscriptions either on a month-to-month basis or on a committed contract of at least one year in duration.

Our customers' renewal rates may decline or fluctuate as a result of a number of factors, including their satisfaction with our products and our customer support, our products' ability to integrate with new and changing technologies, the frequency and severity of product outages, our product uptime or latency, and the pricing of our, or competing, products. If our customers renew their subscriptions, they may renew for shorter subscription terms or on other terms that are less economically beneficial to us. We may not accurately predict future renewal trends. If our existing customers do not renew their subscriptions, or renew on less favorable terms, our revenue may grow more slowly than expected or decline.

Our decision to no longer offer Elasticsearch and Kibana under an open source license may harm the adoption of Elasticsearch and Kibana.

In February 2021, with the release of version 7.11 of the Elastic Stack, we changed the source code of Elasticsearch and Kibana that had historically been licensed under Apache 2.0 ("Apache 2.0"), to be dual licensed under Elastic License 2.0 and the Server Side Public License Version 1.0 ("SSPL"), at the user's election. Neither the Elastic License nor the SSPL has been approved by the Open Source Initiative or is included in the Free Software Foundation's list of free software licenses. Further, neither has been interpreted by any court. While the vast majority of downloads of Elasticsearch and Kibana from mid-2018 through early 2021 were licensed under the Elastic License, the removal of the Apache 2.0 alternative could negatively impact certain developers for whom the availability of an open source license was important. In addition, some developers and the companies for whom they work may be hesitant to download or upgrade to new versions of Elasticsearch or

Kibana under the Elastic License or SSPL because of uncertainty around how these licenses may be interpreted and enforced. Other developers, including competitors of Elastic such as Amazon, have announced that they have "forked" Elasticsearch and Kibana. For example, Amazon has launched an open source project called OpenSearch based on a forked version of the Elastic Stack, which is licensed under Apache 2.0, and rebranded their existing Elasticsearch Service to OpenSearch Service. The combination of uncertainty around our dual license model and the potential competition from the forked versions of our software may negatively impact adoption of Elasticsearch and Kibana, which in turn could lead to reduced brand and product awareness, ultimately leading to a decline in paying customers, which could harm our ability to grow our business or achieve profitability.

We could be negatively impacted if the Elastic License or SSPL under which some of our software is licensed are not enforceable.

We make the source code of our products available under Apache 2.0, the Elastic License, or dual licensed under the Elastic License and SSPL, depending on the product and version. Apache 2.0 is a permissive open source license that allows licensees to freely copy, modify and distribute Apache 2.0-licensed software provided that they meet certain conditions. The Elastic License is our proprietary source available license. The Elastic License permits licensees to use, copy, modify and distribute the licensed software provided that they do not offer access to the software as a cloud service, interfere with the license key or remove proprietary notices. SSPL is a source available license that is based on the GNU Affero General Public License ("AGPL") open source license and permits licensees to copy, modify and distribute SSPL-licensed software, but expressly requires licensees that offer the SSPL-licensed software as a third-party service to open source all of the software that they use to offer such service. We rely upon the enforceability of the restrictions set forth in the Elastic License and SSPL to protect our proprietary interests. It is possible that a court could hold that the Elastic License or SSPL are unenforceable. If a court held that the Elastic License or SSPL or certain aspects of these licenses are unenforceable, others may be able to use our software to compete with us in the marketplace in a manner not subject to the restrictions set forth in the Elastic License or SSPL.

Because of the permissive rights accorded to third parties under our open source and source available licenses, there are limited technological barriers to entry into the markets in which we compete and it may be relatively easy for competitors, some of whom may have greater resources than we have, to enter our markets and compete with us.

Anyone may obtain access to source code for the features of our software that we have licensed under open source or source available licenses. Depending on the product and version of the Elastic software, this source code is either available under Apache 2.0, SSPL, or the Elastic License. Each of these licenses allow anyone, subject to compliance with the conditions of the applicable license, to redistribute our software in modified or unmodified form and use it to compete in our markets. Such competition can develop without the degree of overhead and lead time required by traditional proprietary software companies, due to the rights granted to licensees of open source and source available software. It is possible for competitors to develop their own software, including software based on our products, potentially reducing the demand for our products and putting pricing pressure on our subscriptions. For example, Amazon offers some of the features that we had previously made available under an open source license as part of its Amazon Web Services offering. As such, Amazon competes with us for potential customers, and while Amazon cannot provide our proprietary software, Amazon's offerings may reduce the demand for our offerings and the pricing of Amazon's offerings may limit our ability to adjust the price of our products. We cannot guarantee that we will be able to compete successfully against current and future competitors or that competitive pressure or the availability of new software will not result in price reductions, reduced operating margins and loss of market share, any one of which could harm our business, financial condition, results of operations and cash flows.

If we do not effectively develop and expand our sales and marketing capabilities, including expanding and training our sales force, we may be unable to add new customers, increase sales to existing customers or expand the value of our existing customers' subscriptions and our business will be adversely affected.

We dedicate significant resources to sales and marketing initiatives, which require us to invest significant financial and other resources, including in markets in which we have limited or no experience. Our business and results of operations will be harmed if our sales and marketing efforts do not generate significant revenue increases or increases that are smaller than anticipated.

We may not achieve revenue growth from expanding our sales force if we are unable to hire, train, and retain talented and effective sales personnel. We depend on our sales force to obtain new customers and to drive additional sales to existing customers. We believe that there is significant competition for sales personnel, including sales representatives, sales managers, and sales engineers, with the requisite skills and technical knowledge. Our ability to achieve significant revenue growth will depend, in large part, on our success in recruiting, training and retaining sufficient sales personnel to support our growth, and as we introduce new products, solutions and marketing strategies, we may need to re-train existing sales personnel. New hires require significant training and may take significant time before they achieve full productivity. Our recent hires and planned

hires may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. In addition, particularly as we continue to grow rapidly, a large percentage of our sales force will have relatively little experience working with us, our subscriptions, and our business model. If we are unable to hire and train sufficient numbers of effective sales personnel, our new and existing sales personnel are unable to achieve desired productivity levels in a reasonable period of time, our sales personnel are not successful in obtaining new customers or increasing sales to our existing customer base, or our sales and marketing programs are not effective, our growth and results of operations could be negatively impacted and our business will be harmed.

Our ability to increase sales of our offerings is highly dependent on the quality of our customer support, and our failure to offer high quality support would have an adverse effect on our business, reputation and results of operations.

After our products are deployed within our customers' IT environments, our customers depend on our technical support services to resolve issues relating to our products. If we do not succeed in helping our customers quickly resolve post-deployment issues or provide effective ongoing support and education on our products, our ability to sell additional subscriptions to existing customers or expand the value of existing customers' subscriptions would be adversely affected and our reputation with potential customers could be damaged. Many larger enterprise and government entity customers have more complex IT environments and require higher levels of support than smaller customers. If we fail to meet the requirements of these enterprise customers, it may be more difficult to grow sales with them.

Additionally, it can take several months to recruit, hire, and train qualified technical support employees. We may not be able to hire such resources fast enough to keep up with demand, particularly if the sales of our offerings exceed our internal forecasts. Due to the ongoing uncertainty related to the COVID-19 pandemic, there may also be more competition for qualified employees and delays in hiring, onboarding and training new employees. To the extent that we are unsuccessful in hiring, training, and retaining adequate support resources, our ability to provide adequate and timely support to our customers, and our customers' satisfaction with our offerings, will be adversely affected. Our failure to provide and maintain, or a market perception that we do not provide or maintain, high-quality support services would have an adverse effect on our business, financial condition, and results of operations.

We rely significantly on revenue from subscriptions and, because we recognize a significant portion of the revenue from subscriptions over the term of the relevant subscription period, downturns or upturns in sales are not immediately reflected in full in our results of operations.

Subscription revenue accounts for the substantial majority of our revenue, comprising 93%, 93% and 92% of total revenue in the nine months ended January 31, 2022 and the years ended April 30, 2021 and 2020, respectively. We recognize a significant portion of our subscription revenue monthly over the term of the relevant time period. As a result, much of the subscription revenue we report each fiscal quarter is the recognition of deferred revenue from subscription contracts entered into during previous fiscal quarters. Consequently, a decline in new or renewed subscriptions in any one fiscal quarter will not be fully or immediately reflected in revenue in that fiscal quarter and will negatively affect our revenue in future fiscal quarters. Accordingly, the effect of significant downturns in new or renewed sales of our subscriptions is not reflected in full in our results of operations until future periods.

A real or perceived defect, security vulnerability, error, or performance failure in our software could cause us to lose revenue, damage our reputation, and expose us to liability.

Our products are inherently complex and, despite extensive testing and quality control, have in the past and may in the future contain defects or errors, especially when first introduced, or otherwise not perform as contemplated. These defects, security vulnerabilities, errors or performance failures could cause damage to our reputation, loss of customers or revenue, product returns, order cancellations, service terminations, or lack of market acceptance of our software. As the use of our products, including products that were recently acquired or developed, expands to more sensitive, secure, or mission critical uses by our customers, we may be subject to increased scrutiny, potential reputational risk, or potential liability should our software fail to perform as contemplated in such deployments. We have in the past and may in the future need to issue corrective releases of our software to fix these defects, errors or performance failures, which could require us to allocate significant research and development and customer support resources to address these problems.

Any limitation of liability provisions that may be contained in our customer and partner agreements may not be effective as a result of existing or future applicable law or unfavorable judicial decisions. The sale and support of our products entail the risk of liability claims, which could be substantial in light of the use of our products in enterprise-wide environments. In addition, our insurance against this liability may not be adequate to cover a potential claim.

Incorrect implementation or use of, or our customers' failure to update, our software could result in customer dissatisfaction and negatively affect our business, operations, financial results, and growth prospects.

Our products are often operated in large scale, complex IT environments. Our customers and some partners require training and experience in the proper use of and the benefits that can be derived from our products to maximize their potential. If our products are not implemented, configured, updated or used correctly or as intended, or in a timely manner, inadequate performance, errors, loss of data, corruptions and/or security vulnerabilities may result. For example, there have been and may in the future continue to be, reports of our customers not properly securing implementations of our products, which can result in unprotected data. Because our customers rely on our software to manage a wide range of operations, the incorrect implementation, use of, or our customers' failure to update our software or our failure to train customers on how to use our software productively may result in customer dissatisfaction, negative publicity and may adversely affect our reputation and brand. Failure by us to effectively provide training and implementation services to our customers could result in lost opportunities for follow-on sales to these customers and decrease subscriptions by new customers, and adversely affect our business and growth prospects.

If third parties offer inadequate or defective implementations of software that we have previously made available under an open source license, our reputation could be harmed.

Certain cloud hosting providers and managed service providers, including Amazon Web Services, offer hosted products based on a forked version of the Elastic Stack. These offerings are not supported by us and come without any of our proprietary features. We do not control how these third parties may use or offer our open source technology. These third parties could inadequately or incorrectly implement our open source technology, or fail to update such technology in light of changing technological or security requirements, which could result in real or perceived defects, security vulnerabilities, errors, or performance failures with respect to their offerings. Users, customers, and potential customers could confuse these third-party products with our products, and attribute such defects, security vulnerabilities, errors, or performance failures to our products. Any damage to our reputation and brand from defective implementations of our open source software could result in lost sales and lack of market acceptance of our products and could adversely affect our business and growth prospects.

We rely on traditional web search engines to direct traffic to our website. If our website fails to rank prominently in unpaid search results, traffic to our website could decline and our business would be adversely affected.

Our success depends in part on our ability to attract users through unpaid Internet search results on traditional web search engines, such as Google. The number of users we attract to our website from search engines is due in large part to how and where our website ranks in unpaid search results. These rankings can be affected by a number of factors, many of which are not in our direct control, and they may change frequently. For example, a search engine may change its ranking algorithms, methodologies or design layouts. As a result, links to our website may not be prominent enough to drive traffic to our website, and we may not know how or otherwise be in a position to influence the results. Any reduction in the number of users directed to our website could reduce our revenue or require us to increase our customer acquisition expenditures.

If our security measures are breached, a security incident occurs, or unauthorized access to or other processing of confidential information, including personal data, otherwise occurs, our software may be perceived as not being secure, customers may reduce the use of or stop using our products, and we may incur significant liabilities.

Any security breach or incident, including those resulting from a cybersecurity attack, phishing attack, unauthorized access, unauthorized usage, virus, malware, ransomware, denial of service, credential stuffing attack, supply chain attack, hacking or similar breach involving our networks and systems, or those of third parties upon which we rely, could result in the loss of confidential information, including personal data, disruption to our operations, significant remediation costs, lost revenue, increased insurance premiums, damage to our reputation, litigation, regulatory investigations or other liabilities. These attacks may come from individual hackers, criminal groups, and state-sponsored organizations, and security breaches and incidents may arise from other sources, such as employee or contractor error or malfeasance. Cyber threats are constantly evolving and becoming increasingly sophisticated and complex, increasing the difficulty of detecting and successfully defending against them. As a provider of security solutions, we have been and may continue to be specifically targeted by bad actors for attacks intended to circumvent our security capabilities as an entry point into customers' endpoints, networks, or systems. If our security measures are breached or otherwise compromised as a result of third-party action, employee or contractor error, defect, vulnerability or bug in our products or products of third parties upon which we rely, malfeasance or otherwise, including any such breach or compromise resulting in someone obtaining unauthorized access to our confidential information, including personal data or the confidential information or personal data of our customers or others, or if any of these are perceived or reported to occur, we may suffer the loss, compromise, corruption, unavailability, or destruction of our or others' confidential information and personal data, we may face a loss in intellectual property protection, our reputation may be damaged, our business may suffer and we could be subject to claims, demands, regulatory investigations and other proceedings, indemnity obligations, and otherwise incur significant liability. Even the perception of inadequate security may damage our

reputation and negatively impact our ability to win new customers and retain existing customers. Further, we could be required to expend significant capital and other resources to address any security incident or breach, and we may face difficulties or delays in identifying and responding to any security breach or incident.

In addition, many of our customers may use our software for processing their confidential information, including business strategies, financial and operational data, personal data and other related data. As a result, unauthorized access to or use of our software or this data could result in the loss, compromise, corruption or destruction of our customers' confidential information and lead to claims, demands, litigation, regulatory investigations, indemnity obligations, and other liabilities. It could also hinder our ability to obtain and maintain information security certifications that support customers' adoption of our products and our retention of those customers. We have implemented administrative, technical and physical measures designed to protect the integrity of our customers' data and prevent data loss, misappropriation and other security breaches and incidents and may incur significant costs in connection with the implementation of additional preventative measures in the future.

We engage third-party vendors and service providers to store and otherwise process some of our and our customers' data, including sensitive and personal data. There have been and may continue to be significant supply chain attacks generally, and our third-party vendors and service providers may be targeted or impacted by such attacks, and they face other risks of security breaches and incidents. Our third-party vendors and service providers have been subject to phishing attacks and other security incidents, and we cannot guarantee that our or our third-party vendors and service providers' systems and networks have not been breached or otherwise compromised or that they do not contain exploitable vulnerabilities, defects or bugs that could result in a breach of or disruption to our systems and networks or the systems and networks of third parties that support us and our services. For example, in December 2021, a vulnerability in a popular logging software, Log4j, was publicly announced. If left unpatched, the Log4j vulnerability could be exploited to allow unauthorized actors to execute code remotely on a system using Log4j. We have taken steps to ensure these vulnerabilities have been patched in our systems, but we cannot guarantee that all vulnerabilities have been patched in every system upon which we are dependent or that additional critical vulnerabilities of Log4j or other open-source software upon which we rely will not be discovered. Our ability to monitor our third-party vendors and service providers' data security is limited, and, in any event, third parties may be able to circumvent those security measures, resulting in the unauthorized access to, or misuse, disclosure, loss, destruction, or other unauthorized processing of our and our customers' data, including sensitive and personal data.

Techniques used to sabotage or obtain unauthorized access to systems or networks are constantly evolving and, in some instances, are not identified until launched against a target. We and our third-party vendors and service providers may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventative measures. Security risks are also heightened during the ongoing COVID-19 pandemic as more individuals are working remotely and utilizing home networks for transmitting information, and reported ransomware incidents with significant operational impacts also appear to be escalating in frequency and degree. Also, due to political uncertainty and military actions associated with Russia's invasion of Ukraine, we and our third-party vendors and service providers are vulnerable to a heightened risk of cybersecurity attacks, phishing attacks, viruses, malware, ransomware, hacking or similar breaches from nation-state actors, including attacks that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our products and services. In addition, laws, regulations, government guidance, and industry standards and practices in the United States and elsewhere are rapidly evolving to combat these threats. We may face increased compliance burdens regarding such requirements with regulators and customers regarding our products and services and also incur additional costs for oversight and monitoring of our own supply chain. We and our customers may also experience increased costs associated with security measures and increased risk of suffering cyberattacks, including ransomware. Should we or the third-party vendors and service providers upon which we rely experience such attacks, including from ransomware or other security breaches or incidents, our operations may also be hindered or interrupted due to system disruptions or otherwise, with foreseeable secondary contractual, regulatory, financial, and reputational harms that may arise from such an incident.

Further, we cannot assure that any limitations of liability provisions in our customer and user agreements, contracts with third-party vendors and service providers or other contracts would be enforceable or adequate or would otherwise protect us from any liabilities or damages with respect to any particular claim relating to a security breach or other security incident. We also cannot be sure that our existing insurance coverage will continue to be available on acceptable terms or will be available in sufficient amounts to cover claims related to a security incident or breach, or that the insurer will not deny coverage as to any future claim. The successful assertion of claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, including our financial condition, operating results, and reputation.

Interruptions or performance problems associated with our technology and infrastructure, and our reliance on technologies from third parties, may adversely affect our business operations and financial results.

We rely on third-party cloud platforms to host our cloud offerings. If we experience an interruption in service for any reason, our cloud offerings would similarly be interrupted. The COVID-19 pandemic could also disrupt the supply chain of hardware needed to maintain our third-party data center operations. An interruption in our services to our customers could cause our customers' internal and consumer-facing applications to not function properly, which could have a material adverse effect on our business, results of operations, customer relationships and reputation.

In addition, our website and internal technology infrastructure may experience performance issues due to a variety of factors, including infrastructure changes, human or software errors, website or third-party hosting disruptions, capacity constraints, technical failures, natural disasters or fraud or security attacks. Our use of third-party open source software may increase this risk. If our website is unavailable or our users are unable to download our products or order subscriptions or services within a reasonable amount of time or at all, our business could be harmed. We expect to continue to make significant investments to maintain and improve website performance and to enable rapid releases of new features and applications for our products. To the extent that we do not effectively upgrade our systems as needed and continually develop our technology to accommodate actual and anticipated changes in technology, our business and results of operations may be harmed.

We rely on third-party service providers for many aspects of our business, and any failure to maintain these relationships could harm our business.

Our success depends upon our relationships with third-party service providers, including providers of cloud hosting infrastructure, customer relationship management systems, financial reporting systems, human resource management systems, credit card processing platforms, marketing automation systems, and payroll processing systems, among others. If any of these third parties experience difficulty meeting our requirements or standards, become unavailable due to extended outages or interruptions, temporarily or permanently cease operations, face financial distress or other business disruptions such as a security incident, increase their fees, if our relationships with any of these providers deteriorate, or if any of the agreements we have entered into with such third parties are terminated or not renewed without adequate transition arrangements, we could suffer liabilities, penalties, fines, increased costs and delays in our ability to provide customers with our products and services, our ability to manage our finances could be interrupted, receipt of payments from customers may be delayed, our processes for managing sales of our offerings could be impaired, our ability to generate and manage sales leads could be weakened, or our business operations could be disrupted. Any of such disruptions may adversely impact our business and our financial condition, results of operations or cash flows could be adversely affected until we replace such providers or develop replacement technology or operations. In addition, if we are unsuccessful in identifying high-quality service providers, negotiating cost-effective relationships with them or effectively managing these relationships, it could adversely affect our business and financial results.

The length of our sales cycle can be unpredictable, particularly with respect to sales through our channel partners or sales to large customers, and our sales efforts may require considerable time and expense.

Our results of operations may fluctuate, in part, because of the length and variability of the sales cycle of our subscriptions and the difficulty in making short-term adjustments to our operating expenses. Our results of operations depend in part on sales to new customers, including large customers, and increasing sales to existing customers. The length of our sales cycle, from initial contact with our sales team to contractually committing to our subscriptions can vary substantially from customer to customer based on deal complexity as well as whether a sale is made directly by us or through a channel partner. Our sales cycle can extend to more than a year for some customers, and the length of sales cycles may be further impacted due to the COVID-19 pandemic. Some customers have been scrutinizing their spending more carefully given a challenging economic environment associated with the pandemic, and we generally expect this to continue. This might cause sales cycles to become longer or become more unpredictable. As we target more of our sales efforts at larger enterprise customers, we may face greater costs, longer sales cycles, greater competition and less predictability in completing some of our sales. A customer's decision to use our solutions may be an enterprise-wide decision, which may require greater levels of education regarding the use cases of our products or prolonged negotiations. In addition, larger customers may demand more configuration, integration services and features. It is difficult to predict exactly when, or even if, we will make a sale to a potential customer or if we can increase sales to our existing customers. As a result, large individual sales have, in some cases, occurred in quarters subsequent to those we anticipated, or have not occurred at all. The loss or delay of one or more large transactions in a quarter could affect our cash flows and results of operations for that quarter and for future quarters. Because a substantial proportion of our expenses are relatively fixed in the short term, our cash flows and results of operations will suffer if revenue falls below our expectations in a particular quarter, which could cause the price of our ordinary shares to decline.

We depend on our senior management and other key employees, and the loss of one or more of these employees or an inability to attract and retain highly skilled employees could harm our business.

Our future success depends, in part, on our ability to continue to attract and retain highly skilled personnel. The loss of the services of any of our key personnel, the inability to attract or retain qualified personnel, or delays in hiring required personnel, particularly in engineering and sales, may seriously harm our business, financial condition, and results of operations. Further, our ability to attract additional qualified personnel may be impacted by the economic uncertainty and insecurity caused by the COVID-19 pandemic. The loss of services of any of our key personnel also increases our dependency on other key personnel who remain with us. Although we have entered into employment offer letters with our key personnel, their employment is for no specific duration and constitutes at-will employment. We are also substantially dependent on the continued service of our existing engineering personnel because of the complexity of our products.

Our future performance also depends on the continued services and continuing contributions of our senior management, particularly our Chief Executive Officer, Ashutosh Kulkarni, and Chief Technology Officer, Shay Banon, to execute on our business plan and to identify and pursue new opportunities and product innovations. We do not maintain key person life insurance policies on any of our employees. The loss of services of senior management could significantly delay or prevent the achievement of our development and strategic objectives, which could adversely affect our business, financial condition, and results of operations. Any search for senior management in the future or any search to replace the loss of any senior management may be prolonged, and we may not be able to attract a qualified candidate or replacement, as applicable, in a timely manner or at all, particularly as potential candidates may be wary to transition during the unstable economic conditions caused by the COVID-19 pandemic. Furthermore, the COVID-19 pandemic could make it more difficult to onboard, provide training to and integrate any senior management or key employees, which could adversely affect their productivity and our business. If we are unable to mitigate these or other similar risks as we experience management turnover, our business, results of operation and financial condition may be adversely affected.

In January 2022, we announced the transition of Shay Banon from Chief Executive Officer and Chairman of the Board to the role of Chief Technology Officer, subject to shareholder approval, and the transition of Ashutosh Kulkarni from Chief Product Officer to Chief Executive Officer. Mr. Kulkarni was also nominated to serve on the Board, and he was appointed to the Board by shareholders at an extraordinary general shareholder meeting on March 9, 2022. This appointment also automatically confirmed his position as Chief Executive Officer. Additionally, Chetan Puttagunta, Lead Independent Director, was appointed Chairman of the Board in January 2022. If we are not successful in managing the transition of our Chief Executive Officer, it could be viewed negatively by our customers, employees or investors and could have an adverse impact on our business.

Additionally, the industry in which we operate is generally characterized by significant competition for skilled personnel as well as high employee attrition. We may not be successful in attracting, integrating, or retaining qualified personnel to fulfill our current or future needs. We may need to invest significant amounts of cash and equity to attract and retain new employees, and we may never realize returns on these investments. Also, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited, that they have divulged proprietary or other confidential information, or that their former employers own their inventions or other work product.

If we are not able to maintain and enhance our brand, especially among developers, our ability to expand our customer base will be impaired and our business and operating results may be adversely affected.

We believe that developing and maintaining widespread awareness of our brand, especially with developers, is critical to achieving widespread acceptance of our software and attracting new users and customers. We also believe that the importance of brand recognition will increase as competition in our market increases. Successfully maintaining and enhancing our brand will depend largely on the effectiveness of our marketing efforts, our ability to maintain our customers' trust, our ability to continue to develop new functionality and use cases, and our ability to successfully differentiate our products and platform capability from competitive products. Brand promotion activities may not generate user or customer awareness or increase revenue, and even if they do, any increase in revenue may not offset the expenses we incur in building our brand. For instance, our continued focus and investment in ElasticON and similar investments in our brand, user engagement, and customer engagement may not generate the desired customer awareness or a sufficient financial return. If we fail to successfully promote and maintain our brand, we may fail to attract or retain users and customers necessary to realize a sufficient return on our brand-building efforts, or to achieve the widespread brand awareness that is critical for broad customer adoption of our products, which would adversely affect our business and results of operations.

Our corporate culture has contributed to our success, and if we cannot maintain this culture as we grow, we could lose the innovation, creativity and entrepreneurial spirit we have worked to foster, which could harm our business.

We believe that our culture has been and will continue to be a key contributor to our success. We expect to continue to hire as we expand. If we do not continue to maintain our corporate culture as we grow, we may be unable to foster the

innovation, creativity, and entrepreneurial spirit we believe we need to support our growth. Moreover, many of our existing employees may be able to receive significant proceeds from sales of our ordinary shares in the public markets, which could lead to employee attrition and disparities of wealth among our employees that adversely affects relations among employees and our culture in general. Additional headcount growth may result in a change to our corporate culture, which could harm our business.

We rely on channel partners to execute a portion of our sales; if our channel partners fail to perform or we are unable to maintain successful relationships with our channel partners, our ability to market, sell and distribute our solution will be more limited, and our results of operations and reputation could be harmed.

A portion of our revenue is generated by sales through our channel partners, especially to U.S. federal government customers and in certain international markets, and these sales may grow and represent a larger portion of our revenues in the future. We provide certain of our channel partners with specific training and programs to assist them in selling our offerings, but there can be no assurance that these steps will be effective. In addition, our channel partners may be unsuccessful in marketing and selling our offerings, particularly in light of the effects of the COVID-19 pandemic. If we are unable to develop and maintain effective sales incentive programs for our channel partners, we may not be able to incentivize these partners to sell our offerings to customers.

Some of these partners may also market, sell, and support offerings that compete with ours, may devote more resources to the marketing, sales, and support of such competitive offerings, may have incentives to promote our competitors' offerings to the detriment of our own or may cease selling our offerings altogether. Our agreements with our channel partners typically have a duration of one to three years, and generally may be terminated for any reason by either party with advance notice prior to each renewal date. We may not be able to retain these channel partners or secure additional or replacement channel partners. The loss of one or more of our significant channel partners or a decline in the number or size of orders from any of them could harm our results of operations. In addition, many of our new channel partners require extensive training and may take several months or more to achieve productivity. Our channel partner sales structure could subject us to lawsuits, potential liability, misstatement of revenue, and reputational harm if, for example, any of our channel partners misrepresents the functionality of our offerings to customers or violates laws or our or their corporate policies, including our terms of business, which in turn could impact reported revenue, deferred revenue and remaining performance obligations. If our channel partners are unsuccessful in fulfilling the orders for our offerings, or if we are unable to enter into arrangements with and retain high quality channel partners, our ability to sell our offerings and results of operations could be harmed.

If we are unable to maintain successful relationships with our partners, our business operations, financial results and growth prospects could be adversely affected.

We maintain partnership relationships with a variety of partners, including cloud providers, systems integrators, channel partners, referral partners, OEM and MSP partners, and technology partners, to deliver offerings to our end customers and complement our broad community of users. In particular, we partner with various cloud providers to jointly market, sell and deliver our Elastic Cloud offerings, and in some instances this also involves technical integration with such cloud providers.

Our agreements with our partners are generally non-exclusive, meaning our partners may offer customers the offerings of several different companies, including offerings that compete with ours, or may themselves be or become competitors. If our partners do not effectively market and sell our offerings, choose to use greater efforts to market and sell their own offerings or those of our competitors, fail to meet the needs of our customers, or fail to deliver professional services to our customers particularly in light of the effects of the COVID-19 pandemic, our ability to grow our business and sell our offerings may be harmed. Our partners may cease marketing our offerings with limited or no notice and with little or no penalty. The loss of a substantial number of our partners, our possible inability to replace them, or the failure to recruit additional partners could harm our results of operations.

Our ability to achieve revenue growth in the future will depend in part on our success in maintaining successful relationships with our partners and in helping our partners enhance their ability to market and sell our subscriptions. If we are unable to maintain our relationships with these partners, our business, results of operations, financial condition or cash flows could be harmed.

The sales prices of our offerings may decrease, which may reduce our gross profits and adversely affect our financial results.

The sales prices for our offerings may decline or we may introduce new pricing models for a variety of reasons, including competitive pricing pressures, discounts, in anticipation of or in conjunction with the introduction of new offerings, or promotional programs. Competition continues to increase in the market segments in which we operate, and we expect competition to further increase in the future, thereby leading to increased pricing pressures. Larger competitors with more diverse offerings may reduce the price of offerings that compete with ours or may bundle them with other offerings. Additionally, currency fluctuations in certain countries and regions may negatively impact actual prices that customers and

channel partners are willing to pay in those countries and regions. Any decrease in the sales prices for our offerings, without a corresponding decrease in costs or increase in volume, would adversely impact our gross profit. Gross profit could also be adversely impacted by a shift in the mix of our subscriptions from self-managed to our cloud offering, for which we incur hosting costs, as well as any increase in our mix of professional services relative to subscriptions. We may not be able to maintain our prices and gross profits at levels that will allow us to achieve and maintain profitability.

We expect our revenue mix to vary over time, which could harm our gross margin and operating results.

We expect our revenue mix to vary over time due to a number of factors, and we expect that revenue from Elastic Cloud will continue to become a larger part of our revenue mix. Due to the differing revenue recognition policies applicable to our subscriptions and professional services, shifts in our business mix from quarter to quarter could produce substantial variation in revenue recognized. Further, our gross margins and operating results could be harmed by changes in revenue mix and costs, together with numerous other factors, including entry into new markets or growth in lower margin markets; entry into markets with different pricing and cost structures; pricing discounts; and increased price competition. Any one of these factors or the cumulative effects of certain of these factors may result in significant fluctuations in our gross margin and operating results. This variability and unpredictability could result in our failure to meet internal expectations or those of securities analysts or investors for a particular period. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our ordinary shares could decline.

Failure to protect our proprietary technology and intellectual property rights could substantially harm our business and results of operations.

Our success depends to a significant degree on our ability to protect our proprietary technology, methodologies, know-how and brand. We rely on a combination of trademarks, copyrights, patents, contractual restrictions, and other intellectual property laws and confidentiality procedures to establish and protect our proprietary rights. However, the steps we take to protect our intellectual property rights may be inadequate. We will not be able to protect our intellectual property rights if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property rights. The source code of the proprietary features for the Elastic Stack is publicly available, which may enable others to replicate our proprietary technology and compete more effectively. If we fail to protect our intellectual property rights adequately, our competitors may gain access to our proprietary technology and our business may be harmed. In addition, defending our intellectual property rights might entail significant expense. Any patents, trademarks, or other intellectual property rights that we have or may obtain may be challenged by others or invalidated through administrative process or litigation. As of January 31, 2022, we had 40 issued U.S. patents, 1 issued non-U.S. patent, 58 pending U.S. patent applications, 16 pending non-U.S. filings and 1 open disclosure. There can be no assurance that our patent applications will result in issued patents. Even if we continue to seek patent protection in the future, we may be unable to obtain further patent protection for our technology. In addition, any patents issued in the future may not provide us with competitive advantages, or may be successfully challenged by third parties. Furthermore, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain. Despite our precautions, it may be possible for unauthorized third parties to copy our products and use information that we regard as proprietary to create offerings that compete with ours. Effective patent, trademark, copyright, and trade secret protection may not be available to us in every country in which our products are available. We may be unable to prevent third parties from acquiring domain names or trademarks that are similar to, infringe upon, or diminish the value of our trademarks and other proprietary rights. The laws of some countries may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate. As we expand our international activities, our exposure to unauthorized copying and use of our products and proprietary information will likely increase. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property.

We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with other parties. No assurance can be given that these agreements will be effective in controlling access to and distribution of our proprietary information. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our products.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. For example, on September 4, 2019, we filed suit against floragunn GmbH in the United States District Court for the Northern District of California for copyright infringement and contributory copyright infringement, and recently, we resolved a multi-year dispute over a suit we filed against Amazon.com, Inc. on September 27, 2019 in the United States District Court for the Northern District of California for trademark infringement and false advertising. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management, and could result in the impairment or loss of portions of our intellectual property. Further, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our

intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our products, impair the functionality of our products, delay introductions of new products, result in our substituting inferior or more costly technologies into our products, or injure our reputation.

We could incur substantial costs as a result of any claim of infringement, misappropriation or violation of another party's intellectual property rights.

In recent years, there has been significant litigation involving patents and other intellectual property rights in the software industry. Companies providing software are increasingly bringing and becoming subject to suits alleging infringement, misappropriation or violation of proprietary rights, particularly patent rights, and to the extent we gain greater market visibility, we face a higher risk of being the subject of intellectual property infringement, misappropriation or violation claims. We do not currently have a large patent portfolio, which could prevent us from deterring patent infringement claims through our own patent portfolio, and our competitors and others may now and in the future have significantly larger and more mature patent portfolios than we have. The risk of patent litigation has been amplified by the increase in the number of a type of patent holder, which we refer to as a non-practicing entity, whose sole or principal business is to assert such claims and against whom our own intellectual property portfolio may provide little deterrent value. We could incur substantial costs in prosecuting or defending any intellectual property litigation. If we sue to enforce our rights or are sued by a third party that claims that our products infringe, misappropriate or violate their rights, the litigation could be expensive and could divert our management resources.

Any intellectual property litigation to which we might become a party, or for which we are required to provide indemnification, may require us to do one or more of the following:

- cease selling or using products that incorporate the intellectual property rights that we allegedly infringe, misappropriate or violate;
- make substantial payments for legal fees, settlement payments or other costs or damages;
- obtain a license, which may not be available on reasonable terms or at all, to sell or use the relevant technology; or
- redesign the allegedly infringing products to avoid infringement, misappropriation or violation, which could be costly, time-consuming or impossible.

If we are required to make substantial payments or undertake any of the other actions noted above as a result of any intellectual property infringement, misappropriation or violation claims against us or any obligation to indemnify our customers for such claims, such payments or actions could harm our business.

Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement, misappropriation, violation and other losses.

Our agreements with customers and other third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, misappropriation or violation, damages caused by us to property or persons, or other liabilities relating to or arising from our software, services or other contractual obligations. Large indemnity payments could harm our business, results of operations and financial condition. Although we normally contractually limit our liability with respect to such indemnity obligations, we may still incur substantial liability related to them. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other existing customers and new customers and harm our business and results of operations.

Our use of third-party open source software within our products could negatively affect our ability to sell our products and subject us to possible litigation.

Our technologies incorporate open source software from other developers, and we expect to continue to incorporate such open source software in our products in the future. Few of the licenses applicable to open source software have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products. Moreover, we cannot assure that we have not incorporated third-party open source software in our software in a manner that is inconsistent with the terms of the applicable license or our current policies and procedures. If we fail to comply with these licenses, we may be subject to certain requirements, including requirements that we offer our solutions that incorporate the open source software for no cost, that we make available source code for modifications or derivative works we create based upon, incorporating or using the open source software and that we license such modifications or derivative works under the terms of applicable open source licenses. If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such

allegations and could be subject to significant damages, enjoined from the sale of our products that contained the open source software and required to comply with onerous conditions or restrictions on these products, which could disrupt the distribution and sale of these products. In addition, there have been claims challenging the ownership rights in open source software against companies that incorporate open source software into their products, and the licensors of such open source software provide no warranties or indemnities with respect to such claims. In any of these events, we and our customers could be required to seek licenses from third parties in order to continue offering our products, and to re-engineer our products or discontinue the sale of our products in the event re-engineering cannot be accomplished on a timely basis. We and our customers may also be subject to suits by parties claiming infringement, misappropriation or violation due to the reliance by our solutions on certain open source software, and such litigation could be costly for us to defend or subject us to an injunction. Some open source projects have known vulnerabilities and architectural instabilities and as provided on an "as-is" basis which, if not properly addressed, could negatively affect the performance of our product. Any of the foregoing could require us to devote additional research and development resources to re-engineer our solutions, could result in customer dissatisfaction, and may adversely affect our business, results of operations and financial condition.

One of our marketing strategies is to offer some of our product features for free and to provide free trials of some of our paid features, and we may not be able to realize the benefits of this strategy.

We are dependent upon lead generation strategies, including offering free use of some of our product features and free trials of some of our paid features. These strategies may not be successful in continuing to generate sufficient sales opportunities necessary to increase our revenue. Many users never convert from the free use model or from free trials to the paid versions of our products. To the extent that users do not become, or we are unable to successfully attract, paying customers, we will not realize the intended benefits of these marketing strategies and our ability to grow our revenue will be adversely affected.

Our international operations and expansion expose us to several risks.

As of January 31, 2022, we had customers located in over 100 countries, and our strategy is to continue to expand internationally. In addition, as a result of our strategy of leveraging a distributed workforce, as of January 31, 2022, we had employees located in over 35 countries. Our current international operations involve and future initiatives may involve a variety of risks, including:

- political and economic instability related to the military conflict between Russia and Ukraine and the related impact on macroeconomic conditions as a result of such conflict, which may negatively impact our customers, partners, and vendors;
- unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or other trade restrictions;
- different labor regulations, especially in the European Union, where labor laws are generally more advantageous to employees as compared to the United States, including deemed hourly wage and overtime regulations in these locations;
- exposure to many stringent, particularly in the European Union, and potentially inconsistent laws and regulations relating to privacy, data protection and information security;
- changes in a specific country's or region's political or economic conditions;
- political, economic and trade uncertainties or instability related to the United Kingdom's withdrawal from the European Union (Brexit), including the effects of the Trade and Cooperation Agreement between the European Union, the European Atomic Energy Community and the United Kingdom signed in December 2020, on the economies of, and the relationships between, the United Kingdom, European Union, United States and other countries;
- the evolving relations between the United States and China;
- changes in relations between the Netherlands and the United States;
- risks resulting from changes in currency exchange rates and inflation;
- risks resulting from the migration of invoicing from local billing entities to centralized regional billing entities;
- the impact of public health epidemics or pandemics on our employees, partners and customers;
- challenges inherent to efficiently managing an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits and compliance programs;

- risks relating to enforcement of U.S. export control laws and regulations including the Export Administration Regulations, and trade and economic sanctions, including restrictions promulgated by the OFAC, and other similar trade protection regulations and measures in the United States or in other jurisdictions;
- risks relating to our third-party vendors and service providers' storage and processing of some of our and our customers' data, including any supply chain cyber attacks;
- reduced ability to timely collect amounts owed to us by our customers in countries where our recourse may be more limited;
- limitations on our ability to reinvest earnings from operations derived from one country to fund the capital needs of our operations in other countries;
- limited or unfavorable intellectual property protection; and
- exposure to liabilities under anti-corruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act of 1977, as amended ("FCPA"), and similar applicable laws and regulations in other jurisdictions.

If we are unable to address these difficulties and challenges or other problems encountered in connection with our international operations and expansion, we might incur unanticipated liabilities or we might otherwise suffer harm to our business generally.

If we are not successful in sustaining and expanding our international business, we may incur additional losses and our revenue growth could be harmed.

Our future results depend, in part, on our ability to sustain and expand our penetration of the international markets in which we currently operate and to expand into additional international markets. We depend on direct sales and our channel partner relationships to sell our offerings in international markets. Our ability to expand internationally will depend upon our ability to deliver functionality and foreign language translations that reflect the needs of the international clients that we target. Our ability to expand internationally involves various risks, including the need to invest significant resources in such expansion, and the possibility that returns on such investments will not be achieved in the near future or at all in these less familiar competitive environments. We may also choose to conduct our international business through other partnerships. If we are unable to identify partners or negotiate favorable terms, our international growth may be limited. In addition, we have incurred and may continue to incur significant expenses in advance of generating material revenue as we attempt to establish our presence in particular international markets.

If we need to raise additional capital or generate the significant capital necessary to expand our operations and invest in new offerings, it could reduce our ability to compete and could harm our business.

We may need to raise additional funds in the future, and we may not be able to obtain additional debt or equity financing on favorable terms, if at all. If we raise additional equity financing, our shareholders may experience significant dilution of their ownership interests and the per share value of our ordinary shares could decline. Furthermore, if we engage in debt financing, the holders of debt would have priority over the holders of our ordinary shares, and we may be required to accept terms that restrict our ability to incur additional indebtedness. We may also be required to take other actions that would otherwise be in the interests of the debt holders and force us to maintain specified liquidity or other ratios, any of which could harm our business, results of operations, and financial condition. If we need additional capital and cannot raise it on acceptable terms, we may not be able to, among other things:

- develop or enhance our products;
- continue to expand our sales and marketing and research and development organizations;
- acquire complementary technologies, products or businesses;
- expand operations in the United States or internationally;
- hire, train, and retain employees; or
- respond to competitive pressures or unanticipated working capital requirements.

Our failure to have sufficient capital to do any of these things could harm our business, financial condition, and results of operations.

A portion of our revenue is generated by sales to government entities, and this creates a number of challenges and risks.

Sales to government entities are subject to a number of risks. Selling to government entities can be highly competitive, expensive, and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts

will generate a sale. Government certification requirements for products like ours may change, thereby restricting our ability to sell into the U.S. federal government sector, U.S. state government sector, or government sectors of countries other than the United States until we have obtained the revised certification. For example, we hold a U.S. Federal Risk and Authorization Management Program Authority to Operate at a moderate impact level; however, such authority is costly to maintain and if we were to lose our certification in the future, it would restrict our ability to sell to government customers. On May 12, 2021, the Biden Administration issued an Executive Order that will ultimately result in additional security requirements for government agencies and their contractors, for example, multifactor authentication, encryption for data at rest and in transit, and broad log creation, preservation, and production requirements. Furthermore, the Executive Order accelerates agency planning and implementation requirements for "zero trust architecture" and will establish a standards-development effort for a software bill of materials. This may increase compliance costs directly for government contracts and indirectly to the extent such requirements require changes or new efforts at an enterprise level. If we are unable to timely meet such requirements, our ability to compete for and retain federal government contracts may be diminished, which could adversely affect our business, results of operations and financial condition.

Government demand and payment for our offerings may be affected by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for our offerings. Contracts with government agencies, including classified contracts, are subject to extensive, evolving and sometimes complex regulations, as well as audits and reviews. Failure to comply with such regulations or unfavorable findings from government audits or reviews could result in contract terminations, reputational harm or other adverse consequences, including but not limited to adversely affecting our eligibility to sell to government agencies in the future. Additionally, we rely on certain partners to provide technical support services to certain of our government entity customers to resolve any issues relating to our products. If our partners do not effectively assist our government entity customers in deploying our products, succeed in helping our government entity customers quickly resolve post-deployment issues, or provide effective ongoing support, our ability to sell additional offerings to new and existing government entity customers would be adversely affected and our reputation could be damaged.

Government entities may have statutory, contractual, or other legal rights to terminate contracts with us or our channel partners for convenience or due to a default, and any such termination may adversely affect our future results of operations. In addition, multi-year contracts with government entities are usually conditioned on annual fiscal funding actions that the relevant legislative or other decision-making body must take in order to fund each year of a contract. Such legislative or decision-making bodies may elect not to fund each year of a contract. Governments routinely investigate and audit government contractors' administrative processes and other contract related compliance obligations, and any unfavorable audit could result in the government refusing to continue buying our subscriptions, a reduction of revenue, or fines or civil or criminal liability if the audit uncovers improper or illegal activities, which could adversely affect our results of operations in a material way.

In September 2021, U.S. federal government agencies enacted guidelines and regulations that required us to ensure that all of our employees in the United States who perform work on or in connection with a federal contract or subcontract are fully vaccinated or are eligible for an exemption from the vaccination requirement. Enforcement of this vaccine mandate was enjoined by a federal court in December 2021, and appeal of that decision is pending. If the injunction is overturned and the vaccine mandate becomes enforceable again, some of our employees who fail or refuse to comply may be suspended or terminated or they may resign their employment, which could have a negative impact on our productivity, employee morale, sales, operating results and overall financial performance. If we experience difficulties or delays in complying with these guidelines, our sales to the U.S. federal government could be negatively impacted, and if we fail to comply we could be debarred from selling to the U.S. federal government and exposed to additional legal claims.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could expose us to greater than anticipated tax liabilities.

Our income tax obligations are based in part on our corporate structure and intercompany arrangements, including the manner in which we develop, value, and use our intellectual property and the valuations of our intercompany transactions. The tax laws applicable to our business, including the laws of the Netherlands, the United States and other jurisdictions, are subject to change and interpretation. These changes include the introduction of a global minimum tax at a rate of 15% under the Two-Pillar Solution to Address the Tax Challenges of the Digitalisation of the Economy, agreed upon by 137 jurisdictions under the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) and to be implemented as from January 1, 2023. Any new legislation or interpretations of existing legislation could impact our tax obligations in countries where we do business or cause us to change the way we operate our business and result in increased taxation of our international earnings.

The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for valuing developed technology or intercompany arrangements, which could increase our worldwide effective tax rate and harm our financial position and results of operations. Tax authorities examine and may audit our income tax returns and other non-income tax

returns, such as payroll, sales, value-added, net worth or franchise, property, goods and services, and excise taxes, in both the United States and foreign jurisdictions. It is possible that tax authorities may disagree with certain positions we have taken, and any adverse outcome of such a review or audit could have a negative effect on our financial position and results of operations. Further, the determination of our worldwide provision for income taxes and other tax liabilities requires significant judgment by management, and there are transactions where the ultimate tax determination is uncertain. Although we believe that our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our consolidated financial statements and may materially affect our financial results in the period or periods for which such determination is made.

Our corporate structure and intercompany arrangements are subject to the tax laws of various jurisdictions, and we could be obligated to pay additional taxes, which would harm our results of operations.

Based on our current corporate structure, we may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents. In addition, the authorities in the jurisdictions in which we operate could review our tax returns or require us to file tax returns in jurisdictions in which we are not currently filing, and could impose additional tax, interest and penalties. These authorities could also claim that various withholding requirements apply to us or our subsidiaries, assert that benefits of tax treaties are not available to us or our subsidiaries, or challenge our methodologies for valuing developed technology or intercompany arrangements, including our transfer pricing. The relevant taxing authorities may determine that the manner in which we operate our business does not achieve the intended tax consequences. If such a disagreement was to occur, and our position was not sustained, we could be required to pay additional taxes, and interest and penalties. Additionally, both the COVID-19 pandemic and increased use of flexible work policies may increase the probability of payroll tax audits. Any increase in the amount of taxes we pay or that are imposed on us could increase our worldwide effective tax rate and harm our business and results of operations.

Our ability to use our net operating loss carryforwards to offset future taxable income may be subject to certain limitations.

As of April 30, 2021 and 2020, we had net operating loss carryforwards in various jurisdictions of $2.2 billion and $1.3 billion, respectively, which may be utilized against future income taxes. Limitations imposed by the applicable jurisdictions on our ability to utilize net operating loss carryforwards could cause income taxes to be paid earlier than would be paid if such limitations were not in effect and could cause such net operating loss carryforwards to expire unused, in each case reducing or eliminating the benefit of such net operating loss carryforwards. Furthermore, we may not be able to generate sufficient taxable income to utilize our net operating loss carryforwards before they expire. If any of these events occur, we may not derive some or all of the expected benefits from our net operating loss carryforwards.

We are exposed to fluctuations in currency exchange rates, which could negatively affect our financial condition and results of operations.

A portion of our subscriptions are generated and operating expenses are incurred outside the United States and denominated in foreign currencies and are subject to fluctuations due to changes in foreign currency exchange rates, particularly against the Euro. In part as a result of the COVID-19 pandemic, foreign currency exchange rates have been and could continue to be subject to increased volatility. The strengthening of the U.S. dollar increases the real cost of our offerings to our non-U.S. dollar customers, leading to delays in the purchase of our offerings and the lengthening of our sales cycle. If the strength of the U.S. dollar increases, this could adversely affect our financial condition and results of operations. In addition, increased international sales in the future, including through our channel partners, may result in greater foreign currency denominated sales, increasing our foreign currency risk. Moreover, operating expenses incurred outside the United States and denominated in foreign currencies are increasing and are subject to fluctuations due to changes in foreign currency exchange rates. If we are not able to successfully hedge against the risks associated with currency fluctuations, our financial condition and results of operations could be adversely affected. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedging transactions may be limited and we may not be able to successfully hedge our exposure, which could adversely affect our financial condition and results of operations.

Seasonality may cause fluctuations in our sales and results of operations.

Historically, we have experienced quarterly fluctuations and seasonality based on the timing of entering into agreements with new and existing customers and the mix between annual and monthly contracts entered in each reporting period. Trends in our business, financial condition, results of operations and cash flows are impacted by seasonality in our sales cycle which generally reflects a trend to greater sales in our second and fourth quarters and lower sales in our first and third quarters, though we believe this trend has been somewhat masked by our overall growth. We expect that this seasonality will continue to affect our results of operations in the future, and might become more pronounced as we continue to target larger enterprise customers.

Risks Related to Regulatory Matters

We are subject to governmental export and import controls and economic sanctions programs that could impair our ability to compete in international markets or subject us to liability if we violate these controls.

Our software and services, in some cases, are subject to U.S. export control laws and regulations including the Export Administration Regulations ("EAR"), and trade and economic sanctions maintained by the Office of Foreign Assets Control ("OFAC"). As such, an export license may be required to export or reexport our software and services to certain countries and end-users for certain end-uses. If we were to fail to comply with such U.S. export controls laws and regulations, U.S. economic sanctions, or other similar laws, we could be subject to both civil and criminal penalties, including substantial fines, possible incarceration for employees and managers for willful violations, and the possible loss of our export or import privileges. Obtaining the necessary export license for a particular sale or offering may not be possible and may be time-consuming and may result in the delay or loss of sales opportunities. Furthermore, U.S. export control laws and economic sanctions in many cases prohibit the export of software and services to certain U.S. embargoed or sanctioned countries, governments and persons, as well as for prohibited end-uses. For example, following Russia's invasion of Ukraine, the United States and other countries imposed economic sanctions and sever export control restrictions against Russia and Belarus, and the United States and other countries could impose wider sanctions and export restrictions and take other actions should the conflict further escalate. Monitoring and ensuring compliance with these complex U.S. export control laws is particularly challenging because our offerings are widely distributed throughout the world, and information available on the users of these offerings is, in some cases, limited. In addition, because we incorporate encryption functionality into our products, we are also subject to certain provisions of these laws that apply to encryption items. Even though we take precautions to ensure that we and our partners comply with all relevant export control laws and regulations, any failure by us or our partners to comply with such laws and regulations could have negative consequences for us, including reputational harm, government investigations and penalties.

In addition, various countries regulate the export and import of certain encryption software and technology, including through import permit and license requirements, and have enacted laws that could limit our ability to distribute our products and services or could limit our end-customers' ability to implement our products in those countries. Additionally, export restrictions recently imposed on Russia and Belarus specifically limit the export of encryption software to these locations. Changes in our products or changes in export and import regulations in such countries may create delays in the introduction of our products and services into international markets, prevent our end-customers with international operations from deploying our products globally or, in some cases, prevent or delay the export or import of our products and services to certain countries, governments or persons altogether. The following developments could result in decreased use of our products and services by, or in our decreased ability to export or sell our products to, existing or potential end-customers with international operations: any change in export or import laws or regulations, economic sanctions or related legislation; shift in the enforcement or scope of existing export, import or sanctions laws or regulations; or change in the countries, governments, persons, or technologies targeted by such export, import or sanctions laws or regulations. Any decreased use of our products or services or limitation on our ability to export to or sell our products or services in international markets could adversely affect our business, financial condition and operating results.

Failure to comply with anti-bribery, anti-corruption, and anti-money laundering laws could subject us to penalties and other adverse consequences.

We are subject to the FCPA, the U.K. Bribery Act and other anti-corruption, anti-bribery and anti-money laundering laws in various jurisdictions both domestic and abroad. We leverage channel partners to sell our offerings abroad and use other third parties, including recruiting firms, professional employer organizations, legal, accounting and other professional advisors, and local vendors to meet our needs associated with doing business abroad. We and these third parties may have direct or indirect interactions with officials and employees of government agencies, or state-owned or affiliated entities, and we may be held liable for the corrupt or other illegal activities of our channel partners and third-party representatives, as well as our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. While we have policies and procedures to address compliance with such laws, we cannot assure that the channel partners, third-party representatives, our employees, contractors or agents will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. Any violation of the FCPA, U.K. Bribery Act or other applicable anti-bribery, anti-corruption laws, and anti-money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions, or suspension or debarment from U.S. government contracts, all of which may have an adverse effect on our reputation, business, operating results and prospects.

Risks Related to Ownership of our Ordinary Shares

The market price for our ordinary shares has been and is likely to continue to be volatile or may decline regardless of our operating performance.

The stock markets, and securities of technology companies in particular, have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. Stock prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. The economic impact and uncertainty of the ongoing COVID-19 pandemic have exacerbated this volatility in both the overall stock markets and the market price of our ordinary shares. In the past, shareholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and adversely affect our business. The market price of our ordinary shares may fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- actual or anticipated changes or fluctuations in our operating results;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- announcements by us or our competitors of new offerings or new or terminated significant contracts, commercial relationships or capital commitments;
- industry or financial analyst or investor reaction to our press releases, other public announcements, and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- a gain or loss of investor confidence in the market for technology stocks or the stock market in general;
- future sales or expected future sales of our ordinary shares;
- investor perceptions of us, the benefits of our offerings and the industries in which we operate;
- price and volume fluctuations in the overall stock market from time to time;
- changes in operating performance and/or stock market valuations of other technology companies generally, or those in our industry in particular;
- failure of industry or financial analysts to maintain coverage of us, changes in financial estimates by any analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property rights or our solutions, or third-party proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- breaches of, or failures relating to, privacy, data protection or information security;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- any major changes in our management or our board of directors, including our Chief Executive Officer, Shay Banon, transitioning to Chief Technology Officer and our former Chief Product Officer, Ash Kulkarni, transitioning to Chief Executive Officer;
- general economic conditions and slow or negative growth of our markets, including as a result of the COVID-19 pandemic and the ongoing military conflict between Russia and Ukraine; and
- other events or factors, including those resulting from war, incidents of terrorism or responses to these events.

We may fail to meet our publicly announced guidance or other expectations about our business and future operating results, which would cause our stock price to decline.

We have provided and may continue to provide guidance and other expectations in our quarterly and annual earnings conference calls, quarterly and annual earnings releases, or otherwise, regarding our future performance. Guidance, as well as other expectations, are forward-looking and represent our management's estimates as of the date of release and are based upon

a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies on our business, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. One of those key assumptions relates to the impact of the ongoing COVID-19 pandemic and the associated economic uncertainty on our business, which is inherently difficult to predict. Furthermore, analysts and investors may develop and publish their own projections of our business, which may form a consensus about our future performance. Our actual business results may vary significantly from such guidance or other expectations or that consensus due to a number of factors, many of which are outside of our control, including due to the global economic uncertainty and financial market conditions caused by the ongoing COVID-19 pandemic, and which could adversely affect our business and future operating results. There are no comparable recent events that provide insights as to the probable effect of the ongoing COVID-19 pandemic, and, as a result, the ultimate impact of the COVID-19 outbreak is highly uncertain and subject to change. Furthermore, if we make downward revisions of our previously announced guidance or other expectations, if we withdraw our previously announced guidance or other expectations, or if our publicly announced guidance or other expectations of future operating results fail to meet expectations of securities analysts, investors or other interested parties, the price of our ordinary shares would decline. In light of the foregoing, investors are urged not to rely upon our guidance or other expectations in making an investment decision regarding our ordinary shares.

Any failure to successfully implement our operating strategy or the occurrence of any of the events or circumstances set forth in this "Risk Factors" section in this report could result in the actual operating results being different from our guidance or other expectations, and the differences may be adverse and material.

The concentration of our share ownership with insiders will likely limit your ability to influence corporate matters, including the ability to influence the outcome of director elections and other matters requiring shareholder approval.

Our executive officers and directors together beneficially owned a significant amount of our outstanding ordinary shares. As a result, these shareholders, acting together, will have significant influence over matters that require approval by our shareholders, including matters such as adoption of the financial statements, declarations of dividends, the appointment and dismissal of directors, capital increases, amendment to our articles of association and approval of significant corporate transactions. Corporate action might be taken even if other shareholders oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of us that other shareholders may view as beneficial.

The issuance of additional shares in connection with financings, acquisitions, investments, our share incentive plans or otherwise will dilute all other shareholders.

Our articles of association authorize us to issue up to 165 million ordinary shares and up to 165 million preference shares with such rights and preferences as included in our articles of association. On September 28, 2018, our extraordinary general meeting of shareholders (the "2018 Extraordinary Meeting") empowered our board of directors to issue ordinary shares and preference shares up to our authorized share capital for a period of five years from October 10, 2018. Subject to compliance with applicable rules and regulations, we may issue ordinary shares or securities convertible into ordinary shares from time to time in connection with a financing, acquisition, investment, our share incentive plans or otherwise. Any such issuance could result in substantial dilution to our existing shareholders unless pre-emptive rights exist and cause the market price of our ordinary shares to decline.

Certain holders of our ordinary shares may not be able to exercise pre-emptive rights and as a result may experience substantial dilution upon future issuances of ordinary shares.

Holders of our ordinary shares in principle have a pro rata pre-emptive right with respect to any issue of ordinary shares or the granting of rights to subscribe for ordinary shares, unless Dutch law or our articles of association state otherwise or unless explicitly provided otherwise in a resolution by our general meeting of shareholders (the "General Meeting"), or—if authorized by the annual General Meeting or an extraordinary General Meeting—by a resolution of our board of directors. Our 2018 Extraordinary Meeting has empowered our board of directors to limit or exclude pre-emptive rights on ordinary shares for a period of five years from October 10, 2018, which could cause existing shareholders to experience substantial dilution of their interest in us.

Pre-emptive rights do not exist with respect to the issue of preference shares and holders of preference shares, if any, have no pre-emptive right to acquire newly issued ordinary shares. Also, pre-emptive rights do not exist with respect to the issue of shares or grant of rights to subscribe for shares to employees of the Company or contributions in kind.

Sales of substantial amounts of our ordinary shares in the public markets, or the perception that they might occur, could reduce the price that our ordinary shares might otherwise attain.

Sales of a substantial number of shares of our ordinary shares in the public market, particularly sales by our directors, executive officers and significant shareholders, or the perception that these sales could occur, could adversely affect the market

price of our ordinary shares and may make it more difficult for you to sell your ordinary shares at a time and price that you deem appropriate.

In addition, holders of an aggregate of 17,341,361 ordinary shares, based on shares outstanding as of January 31, 2022, are entitled to rights with respect to registration of these shares under the Securities Act pursuant to our amended and restated investors' rights agreement, dated July 19, 2016. If these holders of our ordinary shares, by exercising their registration rights, sell a large number of shares, they could adversely affect the market price for our ordinary shares. We have also filed registration statements on Form S-8 under the Securities Act registering all ordinary shares that we may issue under our equity compensation plans, which may in turn be sold and may adversely affect the market price for our ordinary shares.

Certain anti-takeover provisions in our articles of association and under Dutch law may prevent or could make an acquisition of our company more difficult, limit attempts by our shareholders to replace or remove members of our board of directors and may adversely affect the market price of our ordinary shares.

Our articles of association contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for shareholders to appoint directors that are not nominated by the current members of our board of directors or take other corporate actions, including effecting changes in our management. These provisions include:

- the staggered three-year terms of the members of our board of directors, as a result of which only approximately one-third of the members of our board of directors may be subject to election in any one year;
- a provision that the members of our board of directors may only be removed by a General Meeting by a two-thirds majority of votes cast representing at least 50% of our issued share capital if such removal is not proposed by our board of directors;
- a provision that the members of our board of directors may only be appointed upon binding nomination of the board of directors, which can only be overruled with a two-thirds majority of votes cast representing at least 50% of our issued share capital;
- the inclusion of a class of preference shares in our authorized share capital that may be issued by our board of directors, in such a manner as to dilute the interest of shareholders, including any potential acquirer or activist shareholder, in order to delay or discourage any potential unsolicited offer or shareholder activism;
- requirements that certain matters, including an amendment of our articles of association, may only be brought to our shareholders for a vote upon a proposal by our board of directors; and
- minimum shareholding thresholds, based on nominal value, for shareholders to call General Meetings of our shareholders or to add items to the agenda for those meetings.

We are subject to the Dutch Corporate Governance Code but do not comply with all the suggested governance provisions of the Dutch Corporate Governance Code. This may affect your rights as a shareholder.

As a Dutch company, we are subject to the Dutch Corporate Governance Code ("DCGC"). The DCGC contains both principles and suggested governance provisions for management boards, supervisory boards, shareholders and general meetings, financial reporting, auditors, disclosure, compliance and enforcement standards. The DCGC is based on a "comply or explain" principle. Accordingly, public companies are required to disclose in their annual reports, filed in the Netherlands, whether they comply with the suggested governance provisions of the DCGC. If they do not comply with those provisions (e.g., because of a conflicting requirement), the company is required to give the reasons for such noncompliance. The DCGC applies to all Dutch companies listed on a government-recognized stock exchange, whether in the Netherlands or elsewhere, including the NYSE. The principles and suggested governance provisions apply to our board of directors (in relation to role and composition, conflicts of interest and independency requirements, board committees and remuneration), shareholders and the General Meeting (for example, regarding anti-takeover protection and our obligations to provide information to our shareholders) and financial reporting (such as external auditor and internal audit requirements). We comply with all applicable provisions of the DCGC except where such provisions conflict with U.S. exchange listing requirements or with market practices in the United States or the Netherlands. This may affect your rights as a shareholder, and you may not have the same level of protection as a shareholder in a Dutch company that fully complies with the suggested governance provisions of the DCGC.

We do not intend to pay dividends in the foreseeable future. As a result, your ability to achieve a return on your investment will depend on appreciation in the price of our ordinary shares.

We have never declared or paid any cash dividends on our shares. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any dividends on our ordinary shares in

the foreseeable future. Were this position to change, payment of future dividends may be made only if our equity exceeds the amount of the paid-in and called-up part of the issued share capital, increased by the reserves required to be maintained by Dutch law or by our articles of association. Accordingly, investors must rely on sales of their ordinary shares after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

Claims of U.S. civil liabilities may not be enforceable against us.

We are incorporated under the laws of the Netherlands and substantial portions of our assets are located outside of the United States. In addition, two members of our board of directors and certain experts named herein reside outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon us or such other persons residing outside the United States, or to enforce outside the United States judgments obtained against such persons in U.S. courts in any action, including actions predicated upon the civil liability provisions of the U.S. federal securities laws. In addition, it may be difficult for investors to enforce, in original actions brought in courts in jurisdictions located outside the United States, rights predicated upon the U.S. federal securities laws.

There is no treaty between the United States and the Netherlands for the mutual recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Therefore, a final judgment rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the U.S. federal securities laws, would not be enforceable in the Netherlands unless the underlying claim is re-litigated before a Dutch court of competent jurisdiction. In such proceedings, however, a Dutch court may be expected to recognize the binding effect of a judgment of a federal or state court in the United States without re-examination of the substantive matters adjudicated thereby, if (i) the jurisdiction of the U.S. federal or state court has been based on internationally accepted principles of private international law, (ii) that judgment resulted from legal proceedings compatible with Dutch notions of due process, (iii) that judgment does not contravene public policy of the Netherlands and (iv) that judgment is not incompatible with (x) an earlier judgment of a Dutch court between the same parties, or (y) an earlier judgment of a foreign court between the same parties in a dispute regarding the same subject and based on the same cause, if that earlier foreign judgment is recognizable in the Netherlands.

Based on the foregoing, there can be no assurance that U.S. investors will be able to enforce against us or members of our board of directors, officers or certain experts named herein, who are residents of the Netherlands or countries other than the United States, any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the U.S. federal securities laws.

In addition, there can be no assurance that a Dutch court would impose civil liability on us, the members of our board of directors, our officers or certain experts named herein in an original action predicated solely upon the U.S. federal securities laws brought in a court of competent jurisdiction in the Netherlands against us or such members, officers or experts, respectively.

U.S. persons who hold our ordinary shares may suffer adverse tax consequences if we are characterized as a passive foreign investment company.

A non-U.S. corporation will generally be considered a passive foreign investment company ("PFIC"), for U.S. federal income tax purposes, in any taxable year if either (1) at least 75% of its gross income for such year is passive income or (2) at least 50% of the value of its assets (based on an average of the quarterly values of the assets during such year) is attributable to assets that produce or are held for the production of passive income ("the PFIC asset test"). For purposes of the PFIC asset test, the value of our assets will generally be determined by reference to our market capitalization. Based on our past and current projections of our income and assets, we do not expect to be a PFIC for the current taxable year or for the foreseeable future. Nevertheless, a separate factual determination as to whether we are or have become a PFIC must be made each year (after the close of such year). Since our projections may differ from our actual business results and our market capitalization and value of our assets may fluctuate, we cannot assure that we will not be or become a PFIC in the current taxable year or any future taxable year. If we are a PFIC for any taxable year during which a U.S. person (as defined in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended) holds our ordinary shares, such U.S. person may be subject to adverse tax consequences. Each U.S. person who holds our ordinary shares is strongly urged to consult his, her or its tax advisor regarding the application of these rules and the availability of any potential elections.

If a U.S. person is treated as owning at least 10% of our ordinary shares, such U.S. person may be subject to adverse U.S. federal income tax consequences.

If a U.S. person is treated as owning (directly, indirectly, or constructively) at least 10% of the total combined voting power of our shares, or of the total value of our shares, such shareholder may be treated as a "United States shareholder" with respect to each "controlled foreign corporation" in our group (if any). Under changes implemented by the legislation commonly referred to as the Tax Cuts and Jobs Act of 2017, because our group includes one or more U.S. subsidiaries, certain of our non-U.S. subsidiaries could be treated as controlled foreign corporations (regardless of whether we are treated as a controlled

foreign corporation). A United States shareholder of a controlled foreign corporation may be required to report annually and include in its U.S. taxable income its pro rata share of "Subpart F income," "global intangible low-taxed income," and investments in U.S. property by controlled foreign corporations, regardless of whether we make any distributions. An individual that is a United States shareholder with respect to a controlled foreign corporation generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U.S. corporation. We cannot provide any assurances that we will assist investors in determining whether we or any of our non-U.S. subsidiaries is treated as a controlled foreign corporation or whether any investor is treated as a United States shareholder with respect to any such controlled foreign corporation or furnish to any investor who may be a United States shareholder information that may be necessary to comply with the aforementioned reporting and tax paying obligations. Failure to comply with these reporting obligations may subject a shareholder who is a United States shareholder to significant monetary penalties and may prevent from starting the statute of limitations with respect to such shareholder's U.S. federal income tax return for the year for which reporting was due. A U.S. person should consult its advisors regarding the potential application of these rules to an investment in our ordinary shares.

We may not be able to make distributions or repurchase shares without subjecting our shareholders to Dutch withholding tax, and dividends distributed on our ordinary shares to certain related parties in low-tax jurisdictions might in the future become subject to an additional Dutch withholding tax.

We have not paid a dividend on our ordinary shares in the past and we do not intend to pay any dividends to holders of our ordinary shares in the foreseeable future. See "We do not intend to pay dividends in the foreseeable future. As a result, your ability to achieve a return on your investment will depend on appreciation in the price of our ordinary shares." However, if we ever do pay dividends or repurchase shares, then under current Dutch tax law, the dividend paid or repurchase price paid may be subject to Dutch dividend withholding tax at a rate of 15% under the Dutch Dividend Withholding Tax Act (*Wet op de dividendbelasting 1965*, "Regular Dividend Withholding Tax"), unless a domestic or treaty exemption applies.

The Dutch parliament has adopted a proposal of law pursuant to which an alternative withholding tax ("Alternative Withholding Tax") will be imposed on dividends paid to related entities in designated low-tax jurisdictions, effective January 1, 2024. An entity is considered related if (i) it has a "Qualifying Interest" in our company, (ii) our company has a "Qualifying Interest" in the entity holding the ordinary shares, or (iii) a third party has a "Qualifying Interest" in both our company and the entity holding the ordinary shares. The term "Qualifying Interest" means a direct or indirectly held interest either by an entity individually or jointly if an entity is part of a collaborating group (*samenwerkende groep*) that enables such entity or such collaborating group to exercise a definite influence over another entities' decisions, such as our company or an entity holding ordinary shares as the case may be, and allows it to determine the other entities' activities. The Alternative Withholding Tax will be imposed at the highest Dutch corporate income tax rate in effect at the time of the distribution (currently 25.8%). The Alternative Withholding Tax will be reduced, but not below zero, with any Regular Dividend Withholding Tax imposed on distributions. As such, based on currently applicable rates, the overall effective rate of withholding of Regular Dividend Withholding Tax and Alternative Withholding Tax will not exceed the highest corporate income tax rate in effect at the time of the distribution (currently 25.8%).

If we cease to be a Dutch tax resident for the purposes of a tax treaty concluded by the Netherlands and in certain other events, we could potentially be subject to a proposed Dutch dividend withholding tax in respect of a deemed distribution of our entire market value less paid-up capital.

Under a proposal of law currently pending before the Dutch parliament, the Emergency act conditional exit dividend withholding tax (Spoedwet conditionele eindafrekening dividendbelasting "DWT Exit Tax"), we will be deemed to have distributed an amount equal to our entire market capitalization less recognized paid-up capital immediately before the occurrence of certain events, including if we cease to be a Dutch tax resident for purposes of a tax treaty concluded by the Netherlands with another jurisdiction and become, for purposes of such tax treaty, exclusively a tax resident of that other jurisdiction which is a qualifying jurisdiction. A qualifying jurisdiction is a jurisdiction other than a member state of the EU/EEA which does not impose a withholding tax on distributions, or that does impose such tax but that grants a step-up for earnings attributable to the period prior to us becoming exclusively a resident in such jurisdiction. This deemed distribution will be subject to a 15% tax insofar it exceeds a franchise of EUR 50 million. The tax is payable by us as a withholding agent. A full exemption applies to entities and individuals who are resident in an EU/EEA member state or a state that has concluded a tax treaty with the Netherlands that contains a dividend article, provided we submit a declaration confirming the satisfaction of applicable conditions by qualifying shareholders within one month following the taxable event. We will be deemed to have withheld the tax on the deemed distribution and have a statutory right to recover this from our shareholders. Dutch resident shareholders qualifying for the exemption are entitled to a credit or refund, and non-Dutch resident shareholders qualifying for the exemption are entitled to a refund, subject to applicable statutory limitations, provided the tax has been actually recovered from them.

The DWT Exit Tax has been amended several times since the initial proposal of law and is under ongoing discussion. It is therefore not certain whether the DWT Exit Tax will be enacted and if so, in what form. If enacted in its present form, the DWT Exit Tax will have retroactive effect as from December 8, 2021.

Risks Related to our Outstanding Senior Notes

We have a substantial amount of indebtedness, which could adversely affect our financial condition.

We have a substantial amount of indebtedness and we may incur additional indebtedness in the future. As of January 31, 2022, we had $575.0 million aggregate principal amount of Senior Notes outstanding. Our indebtedness could have important consequences, including:

- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements;
- requiring a portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to adverse changes in general economic, industry and competitive conditions; and
- increasing our cost of borrowing.

In addition, the indenture that governs the Senior Notes contains restrictive covenants that limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of substantially all of our indebtedness.

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and results of operations, which in turn are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, which could have a material adverse effect on our business, results of operations and financial condition.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. Our ability to restructure or refinance our debt will depend on, among other things, the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the indenture that governs the Senior Notes may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. In the absence of such cash flows and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Any of these circumstances could have a material adverse effect on our business, results of operations and financial condition.

Further, any future credit facility or other debt instrument may contain provisions that will restrict our ability to dispose of assets and use the proceeds from any such disposition. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations and any such failure to meet our scheduled debt service obligations could have a material adverse effect on our business, results of operations and financial condition.

The indenture that governs the Senior Notes contains, and any of our future debt instruments may contain, terms which restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

The indenture that governs the Senior Notes contains a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interest, including, among other things, restrictions on our ability to:

- create liens on certain assets to secure debt;

- grant a subsidiary guarantee of certain debt without also providing a guarantee of the Senior Notes; and
- consolidate or merge with or into, or sell or otherwise dispose of all or substantially all of our assets to, another person.

The covenants in the indenture that governs the Senior Notes are subject to important exceptions and qualifications described in such indenture.

As a result of these restrictions, we are limited as to how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants and may require us to maintain specified financial ratios and satisfy other financial condition tests. We cannot assure that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the relevant lenders and/or amend the covenants.

Our failure to comply with the restrictive covenants described above and/or the terms of any future indebtedness from time to time could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their due date. If we are forced to refinance these borrowings on less favorable terms or cannot refinance these borrowings, our results of operations and financial condition could be adversely affected. As a result, our failure to comply with such restrictive covenants could have a material adverse effect on our business, results of operations and financial condition.

We may be required to repurchase some of the Senior Notes upon a change of control triggering event.

Holders of the Senior Notes can require us to repurchase the Senior Notes upon a change of control (as defined in the indenture governing the Senior Notes) at a repurchase price equal to 101% of the principal amount of the Senior Notes, plus accrued and unpaid interest to, but excluding, the applicable repurchase date. Our ability to repurchase the Senior Notes may be limited by law or the terms of other agreements relating to our indebtedness. In addition, we may not have sufficient funds to repurchase the Senior Notes or have the ability to arrange necessary financing on acceptable terms, if at all. A change of control may also constitute a default under, or result in the acceleration of the maturity of, our other then-existing indebtedness. Our failure to repurchase the Senior Notes would result in a default under the Senior Notes, which may result in the acceleration of the Senior Notes and other then-existing indebtedness. We may not have sufficient funds to make any payments triggered by such acceleration, which could result in foreclosure proceedings and our seeking protection under the U.S. bankruptcy code.

General Risk Factors

Unfavorable or uncertain conditions in our industry or the global economy or reductions in information technology spending, including as a result of the Russian invasion of Ukraine or COVID-19 pandemic, could limit our ability to grow our business and negatively affect our results of operations.

Our results of operations may vary based on the impact of changes in our industry or the global economy on us or our customers. Current or future economic uncertainties or downturns could adversely affect our business and results of operations. Negative conditions in the general economy both in the United States and abroad, including conditions resulting from changes in gross domestic product growth, financial and credit market fluctuations, international trade relations, political instability or unrest and new developments resulting from recent elections and changes of administration, natural catastrophes, warfare, infectious diseases and terrorist attacks on the United States, Europe, the Asia Pacific region or elsewhere, could cause a decrease in business investments by our customers and potential customers, including spending on information technology, and negatively affect the growth of our business. For example, Russia's invasion of Ukraine and resulting international political crisis could have significant negative macroeconomic consequences, including on the businesses of our customers and partners and negatively impact their spending on our offerings.

In addition, the COVID-19 pandemic has curtailed business spending by our customers, resulted in business disruptions for us and/or our customers, restricted travel to customer sites and resulted in a quarantine of affected populations impacting our employees, partners and customers. Additionally, mitigation and containment measures adopted or reinstated by government authorities to contain the spread of COVID-19 in the U.S. and abroad may significantly impact business continuity for our partners and our customers, reduce our customers' business operations, delay their engagement with us (including due to travel restrictions and restrictions on in-person meetings) and could thereby adversely affect our business and financial results. Further, these measures by government authorities may continue to remain in place for a significant period of time or, even if lifted, could be reinstated at any time, and additional and/or extended measures could significantly impact the ability of our employees and customers and vendors to work productively.

To the extent our offerings are perceived by customers and potential customers as discretionary, our revenue may be disproportionately affected by delays or reductions in general information technology spending. Also, customers may choose to

develop in-house software as an alternative to using our products. Moreover, competitors may respond to market conditions by lowering prices. We cannot predict the timing, strength or duration of any economic slowdown, instability or recovery, generally or within any particular industry. If the economic conditions of the general economy or markets in which we operate do not improve, or worsen from present levels, our business, results of operations and financial condition could be adversely affected.

We may acquire other businesses which could require significant management attention, disrupt our business, or dilute shareholder value. We may be unable to integrate acquired businesses and technologies, and acquisitions could adversely affect our results of operations.

As part of our business strategy, we may acquire or make investments in complementary companies, products, or technologies. We have in the past acquired, and expect in the future to acquire, businesses that we believe will complement or augment our existing business, such as our recent acquisitions of Build, CMD and Optimyze. The identification of suitable acquisition candidates is difficult, and we may not be able to complete such acquisitions on favorable terms, if at all. If we do complete future acquisitions, we may not ultimately strengthen our competitive position or achieve our goals and business strategy, we may be subject to claims or liabilities assumed from an acquired company, product, or technology, and any acquisitions we complete could be viewed negatively by our customers, investors, and securities analysts. In addition, if we are unsuccessful at integrating future acquisitions, or the technologies associated with such acquisitions, into our company, the revenue and results of operations of the combined company could be adversely affected. Any integration process may require significant time and resources, which may disrupt our ongoing business and divert management's attention, and we may not be able to manage the integration process successfully. We may not successfully evaluate or utilize acquired technology or personnel, realize anticipated synergies from acquisitions, or accurately forecast the financial impact of an acquisition transaction and integration of such acquisition, including accounting charges. We may have to pay cash, incur debt, or issue equity or equity-linked securities to pay for any future acquisitions, each of which could adversely affect our financial condition or the market price of our ordinary shares. The sale of equity or issuance of equity-linked debt to finance any future acquisitions could result in dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations. Additionally, we may acquire development stage companies that are not yet profitable, and that require continued investment, which could adversely affect our results of operations and liquidity. The occurrence of any of these risks could harm our business, results of operations, and financial condition.

Catastrophic events, or man-made problems such as terrorism, may disrupt our business.

A significant natural disaster, such as an earthquake, fire, flood, or significant power outage could have an adverse impact on our business, results of operations, and financial condition. The impact of climate change may increase these risks due to changes in weather patterns, such as increases in storm intensity, sea-level rise, melting of permafrost and temperature extremes in areas where we or our suppliers and customers conduct business. We have a number of our employees and executive officers located in the San Francisco Bay Area, a region known for seismic activity and wildfires. In the event our or our partners' abilities are hindered by any of the events discussed above, sales could be delayed, resulting in missed financial targets for a particular quarter. In addition, acts of terrorism, acts of war, including Russia's invasion of Ukraine, other geo-political unrest or health issues, such as an outbreak of pandemic or epidemic diseases, such as the COVID-19 pandemic, or fear of such events, could cause disruptions in our business or the business of our partners, customers or the economy as a whole. Any disruption in the business of our partners or customers that affects sales in a given fiscal quarter could have a significant adverse impact on our quarterly results for that and future quarters. For example, the full extent to which the COVID-19 pandemic impacts our business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted. In addition, the COVID-19 pandemic has adversely affected the economies of many countries, resulting in economic downturns that could affect demand for our products and likely impact our operating results. All of the aforementioned risks may be further increased if our disaster recovery plans prove to be inadequate. See the risk factor entitled "The ongoing COVID-19 pandemic could harm our business and results of operations."

If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below expectations of securities analysts and investors, resulting in a decline in the trading price of our ordinary shares.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Quarterly Report on Form 10-Q, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue, and expenses that are not readily apparent from other sources. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could

cause our results of operations to fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our ordinary shares. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to revenue recognition, measurement of stock-based compensation expense, accounting of intangible assets, goodwill impairment test, and accounting for income taxes including deferred tax assets and liabilities.

If industry or financial analysts do not publish research or reports about our business, or if they issue inaccurate or unfavorable research regarding our ordinary shares, our share price and trading volume could decline, which could adversely affect our business.

The trading market for our ordinary shares is influenced by the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts, or the content and opinions included in their reports. If any of the analysts who cover us issues an inaccurate or unfavorable opinion regarding our company, our stock price would likely decline. In addition, the stock prices of many companies in the technology industry have declined significantly after those companies have failed to meet, or significantly exceed, the financial guidance publicly announced by the companies or the expectations of analysts or public investors. If our financial results fail to meet, or significantly exceed, our announced guidance or the expectations of analysts or public investors, our stock price may decline. Further, analysts could downgrade our ordinary shares or publish unfavorable research about us. If one or more of the analysts who cover our company ceases to cover us, or fails to publish reports on us regularly, our visibility in the financial markets could decrease, which in turn could cause our stock price or trading volume to decline and could adversely affect our business.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain senior management and qualified board members.

As a public company, we are subject to the reporting and corporate governance requirements of the Exchange Act, the listing requirements of the NYSE and other applicable securities rules and regulations, including the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act. Compliance with these rules and regulations has increased, and we expect will continue increasing our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources.

Among other things, the Exchange Act requires that we file annual, quarterly and current reports with respect to our business and results of operations, and the Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight is required. As a result, management's attention may be diverted from other business concerns, which could harm our business, financial condition, results of operations and prospects. Although we have already hired additional personnel to help comply with these requirements, we may need to further expand our legal and finance departments in the future or hire outside consultants, which will increase our costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure, including those related to climate change and other environmental, social and governance related matters, are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expense and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business and prospects may be harmed. As a result of disclosure of information in the filings required of a public company and in this Quarterly Report on Form 10-Q, our business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business, financial condition, results of operations and prospects could be materially harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and materially harm our business, financial condition, results of operations and prospects. These factors could also make it more difficult for us to attract and retain qualified senior management or members of our board of directors, particularly to serve on our audit and compensation committees.

If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud, and investor confidence and the market price of our ordinary shares may decline, which could adversely affect our business.

As a public company in the United States, we are subject to the Sarbanes-Oxley Act, which requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended and anticipate that we will continue to expend significant resources, including accounting-related costs and significant management oversight. For example, since our IPO, we have hired additional accounting and financial staff with appropriate public company experience and technical accounting knowledge to assist in our compliance efforts. We have incurred and expect to continue to incur significant expenses and devote substantial management effort toward compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. To assist us in complying with these requirements we may need to hire more employees in the future, or engage outside consultants, which will increase our operating expenses.

Despite significant investment, our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to implement or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting could also adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that are required to be included in our periodic reports that we file with the SEC.

Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, subject us to sanctions or investigations by the NYSE, the SEC or other regulatory authorities, and would likely cause the trading price of our ordinary shares to decline, which could adversely affect our business.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

The documents listed below are incorporated by reference or are filed with this Quarterly Report on Form 10-Q, in each case as indicated therein (numbered in accordance with Item 601 of Regulation S-K).

		Incorporated by Reference				
Exhibit No.	**Description**	**Form**	**File No.**	**Exhibit**	**Filing Date**	**Filed Her**
3.1	Articles of Association of Elastic N.V. (English translation).	10-Q	001-38675	3.1	12/12/2018	
3.2	Deed of Amendment of the Articles of Association of Elastic N.V. (English translation).	10-Q	001-38675	3.2	12/12/2018	
3.3	Deed of Conversion and Amendment of the Articles of Association of Elastic N.V. Articles of Association (English translation).	10-Q	001-38675	3.3	12/12/2018	
10.1	Amended Employment Letter between Elasticsearch, Inc. and Ashutosh Kulkarni, dated as of January 11, 2022.					X
10.2	Amended and Restated Employment Agreement between Elasticsearch, Inc. and Shay Banon, dated January 11, 2022.					X
10.3	Separation and Transition Agreement between the Elasticsearch, Inc. and Paul Appleby, dated as of January 12, 2022.					X
10.4	Amended and Restated 2012 Stock Option Plan and related form agreements.					X
10.5	Endgame, Inc. Amended and Restated 2010 Stock Incentive Plan, as amended, and related form agreements.	10-Q	001-38675	10.1	12/9/2021	
10.6	Build Security Ltd. 2020 Share Incentive Plan, as amended, and related form agreements.	S-8	333-261544	4.2	12/8/2021	
10.7	cmdWatch Security Inc. Stock Option Plan, as amended, and related form agreements.	S-8	333-261544	4.3	12/8/2021	
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).					

* The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "f purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by refere

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Elastic N.V.

Date: March 10, 2022

By: /s/ Ashutosh Kulkarni

Ashutosh Kulkarni
Chief Executive Officer
(Principal Executive Officer)

Date: March 10, 2022

By: /s/ Janesh Moorjani

Janesh Moorjani
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 10.1

ELASTIC OFFER LETTER
(Date: January 11, 2022)

Ashutosh Kulkarni

Dear Ashutosh,

Elasticsearch, Inc. (the "Company"), is pleased to offer you continued employment with the Company on the terms described below.

1. **Position.** Following the Effective Date, your position will be acting Chief Executive Officer of Parent, reporting to the board of directors (the "Board") of Elastic N.V. (the "Parent"). The Company anticipates that at the next Extraordinary General Meeting of the shareholders of Parent, to be held on or about March 9, 2022 (the "EGM"), you will be appointed as a member of the Board of Parent and become the Chief Executive Officer of Parent. As this offer is for a position that will be an "executive officer" position (as such term is defined in Rule 3b-7 under the Securities and Exchange Act of 1934 (the "'34 Act")) and an "officer" position (as such term is defined in Section 16 of the '34 Act), the terms of this offer letter and your appointment to the position contemplated hereby are subject to the approval of the Board and the Compensation Committee of the Board (the "Compensation Committee"). Your position, as applicable, shall be subject to the Articles of Association of the Parent, the Board Rules of the Parent and any required Board and shareholder approvals.

2. **Compensation.**

   a. **Base Salary**. Following the Effective Date, you will be paid a salary at the rate of $600,000 per year, which will be paid in accordance with the Company's standard payroll policies and subject to applicable withholdings and other required deductions.

   b. **Annual Incentive Compensation**. Your annual target incentive compensation for fiscal year 2022 will be equal to the sum of (i) 60% of your base salary for the period between the commencement of fiscal year 2022 and the Effective Date, and (ii) 100% of your base salary for the period between the Effective Date and the end of fiscal year 2022, less applicable withholding, and will be subject to the terms and conditions of the Company's Executive Incentive Compensation Plan or any successor plan or arrangement adopted and implemented by the Company.

   You should note that the Company reserves the right to modify salaries and/or incentive compensation opportunities from time to time as it deems necessary.

3. **Equity Award.** Subject to the approval of the Board or the Compensation Committee, you will be granted awards covering ordinary shares of Elastic N.V. with an aggregate approximate value of $12,000,000 (each an "Equity Award", and together, the "Equity Awards"). 1/3 of the value of the Equity Awards will be in the form of a restricted stock unit award, and 2/3 of the value of the Equity Awards will be in the form of a nonstatutory stock option grant to purchase shares of Elastic N.V. The dollar value of each Equity Award will be converted into a number of shares subject to the Equity Award at the time the award is granted in accordance with our equity grant practices in effect at that time. Subject to approval of your appointment as Chief Executive Officer of the Parent at the EGM, each Equity Award will vest over a 4-year period ratably on designated vesting dates following the applicable vesting commencement date in accordance with our equity grant practices, subject to your continuous service with the Company or its affiliates through each vesting date. The vesting commencement date of your restricted stock unit award under this letter will be March 8, 2022, and the vesting commencement date of your stock option under this letter will be January 11, 2022. Each Equity Award will be subject to the terms and conditions set forth in the Elastic N.V. Amended and Restated 2012 Stock Option Plan or a future equity plan, a standard form of either a restricted stock

unit award agreement or an option award agreement adopted under such plan, as applicable, and our equity grant practices in effect from time to time.

4. **Vacation and Holidays.** During your employment with the Company, you will be entitled to 4 weeks of paid vacation during each calendar year, which shall accrue ratably over the calendar year and be pro-rated for the remainder of this calendar year. Such vacation shall be subject to and taken in accordance with the vacation policies of the Company. We strongly encourage you to take the vacation that you accrue in a calendar year in the same calendar year. Vacation must be taken by you at such time or times as mutually agreed between you and the Company. You will also be entitled to the paid holidays as set forth in the Company's policies. Upon termination of your employment with the Company, you will be paid for any unused vacation accrued by you as of the termination date.

5. **Employee Benefits**. As a regular employee of the Company, you will continue to be eligible to participate in the employee benefit plans, if any, currently and hereafter maintained by the Company, subject in each case to the terms and conditions of the plan in question, including any eligibility requirements set forth therein, and the determination of any person or committee administering the plan. You should note that the Company may modify or terminate benefits from time to time as it deems necessary or appropriate.

6. **Severance & Change of Control Benefits.** As an executive of the Company, you will continue to be eligible to receive severance and change of control benefits under certain circumstances pursuant to the Change in Control and Severance Agreement between you and the Company dated December 2, 2020 (the "**Severance Agreement**"). Accordingly, your potential severance and change of control benefits and the terms and conditions thereof are set forth in the Severance Agreement.

7. **Confidential Information and Invention Assignment Agreement.** You will continue to be required as a condition of your employment with the Company to comply with the Company's standard Confidential Information and Invention Assignment Agreement executed by you on January 3, 2021 (the "**Confidentiality Agreement**").

8. **Employment Relationship.** Employment with the Company is for no specific period of time. Your employment with the Company will continue to be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause or notice. Any contrary representations which may have been made to you are superseded by this letter. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and an authorized officer of the Company.

9. **Location:** You will continue to work from the Company's Mountain View, CA Office.

10. **Outside Activities.** Except for pre-existing engagements previously disclosed to the Company in writing, following the Effective Date, while you render services to the Company, you agree that you will not engage in any other employment, consulting, or other business activity without the written consent of the Company. In addition, while you render services to the Company, you will not assist any person or entity in competing with the Company, in preparing to compete with the Company, or in hiring any employees or consultants of the Company.

11. **Withholding and Required Deductions**. All forms of compensation referred to in this letter are subject to all withholding and any other deductions required by applicable law.

12. **Entire Agreement and Governing Law.** This letter, together with the Severance Agreement and the Confidentiality Agreement, supersedes and replaces any prior or contemporaneous understandings or agreements, whether oral, written or implied, between you and the Company regarding the matters described in this letter, including (but not limited to) the letter agreement between you and the

Company dated December 2, 2020. This letter will be interpreted in accordance with the laws of the State of California without giving effect to provisions governing the choice of law.

13. **Counterparts.** This letter may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution of a facsimile, electronic, or scanned image will have the same force and effect as execution of an original, and a facsimile signature, electronic, or scanned image will be deemed an original and valid signature. If you wish to accept the terms of this letter, please sign electronically as presented.

[Signature page follows.]

This offer, if not accepted, will expire at the close of business on January 18, 2022.

We look forward to your favorable reply and to working with you at Elastic.

Very truly yours,

ELASTICSEARCH, Inc

/s/ Leah Sutton
Leah Sutton, SVP Global HR

1/12/2022
Date

ACCEPTED AND AGREED:

/s/ Ashutosh Kulkarni
Ashutosh Kulkarni

1/12/2022
Date

Effective Date: January 11, 2022

Exhibit 10.2

ELASTICSEARCH, INC.

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement (the "**Agreement**") is entered into as of January 11, 2022 (the "**Effective Date**") by and between Elasticsearch, Inc. (the "**Company**") and Shay Banon ("**Executive**").

1. Duties and Scope of Employment.

(a) Positions and Duties. As of the Effective Date, Executive will resign from the position of Chairman of the Board (as defined below), but will continue to serve as an employee of the Company and as the Executive Director designated as Chief Executive Officer of Elastic N.V. (the "**Parent**"), and will assume the position and duties of Chief Technology Officer of Parent. The Company anticipates that at the next Extraordinary General Meeting of the shareholders of Parent, to be held on or about March 9, 2022 (the "**EGM**"), Executive will no longer serve as the Chief Executive Officer of Parent. Executive will render such business and professional services in the performance of his duties, consistent with Executive's position within the Company and Parent, as will reasonably be assigned to him by the Board. The period of Executive's employment under this Agreement is referred to herein as the "**Employment Term**."

(b) Board Membership. As of the Effective Date, Executive will continue to serve as Executive Director designated as Chief Executive Officer of Parent, subject to any required Board approvals. The Company anticipates that, at the next EGM, Executive will cease to be the Chief Executive Officer of Parent but will continue to remain an Executive Director of Parent and a member of the Board. The Executive's board membership shall be subject to the Articles of Association of the Parent, the Board Rules of the Parent and any required Board and shareholder approvals.

(c) Obligations. During the Employment Term, Executive will perform his duties to the Company and Parent faithfully and to the best of his ability and will devote his full business efforts and time to the Company. For the duration of the Employment Term, Executive agrees not to engage in any other employment or consulting activity for any direct or indirect remuneration without the prior approval of the Board.

(d) Employment. The Company will employ Executive on the terms and conditions set forth herein. Executive will receive his cash compensation and benefits from the Company and the Company will maintain and distribute employment-related records. In the event that during the Employment Term Executive becomes employed by another member of the Company Group in the performance of Executive's duties and obligations hereunder, any reference to the Company in this Agreement will be a reference to that member of the Company Group, unless the context clearly requires otherwise.

(e) Other Entities. Executive agrees to serve and may be appointed as an officer and director for any of the Parent's subsidiaries, partnerships, joint ventures, limited liability companies and other affiliates, including entities in which the Parent has a significant investment as determined by the Parent. As used in this Agreement, the term "affiliates" will include any entity controlled by, controlling, or under common control of the Parent. Upon ceasing employment with the Company for any reason, Executive agrees that he will be deemed to have resigned from all officer positions with the Parent, the Company and any affiliates and Executive agrees to execute

such documents and take such actions as the Company reasonably requests to give effect to the same.

2. At-Will Employment. The parties agree that Executive's employment with the Company will be "at-will" employment and may be terminated at any time with or without cause or notice; provided that the Company will provide any notice required by applicable law or provide any payment in lieu of notice as required by applicable law. Executive understands and agrees that neither his job performance nor promotions, commendations, bonuses or the like from the Company give rise to or in any way serve as the basis for modification, amendment, or extension, by implication or otherwise, of his employment with the Company. However, as described in this Agreement, Executive may be entitled to severance benefits depending on the circumstances of Executive's termination of employment with the Company.

3. Compensation.

(a) Base Salary. During the Employment Term, the Company will pay Executive an annual salary of 1,560,785 New Israeli Shekels as compensation for his services (the "**Base Salary**"). The Base Salary will be paid in accordance with the Company's normal payroll practices and be subject to the usual, required withholdings, including paying compensation in the local currency where Executive is employed, as applicable. Executive's salary will be subject to review and may be increased (but not decreased) based upon the Company's normal performance review practices.

(b) Annual Bonus. Executive will be eligible to receive an annual bonus (the "**Target Bonus**") of up to 60% of his Base Salary, less applicable withholdings, upon achievement of performance objectives to be mutually agreed upon between the Board and Executive under the Company's Executive Incentive Compensation Plan or any successor plan or arrangement adopted and implemented by the Company. The Target Bonus, or any portion thereof, will be paid as soon as practicable after the Board determines that the Target Bonus has been earned, subject to Executive's continued employment with the Company through the payment date. Executive must be employed through the payment date to earn and receive any Target Bonus.

4. Employee Benefits. During the Employment Term, Executive will be entitled to participate in the employee benefit plans currently and hereafter maintained by the Company of general applicability to other senior executives of the Company and as applicable for the jurisdiction in which Executive is providing services, including any medical, dental, vision, life, flexible spending account, disability, and retirement plans, provided that Executive will be entitled to receive any statutory benefits required under applicable law. The Company reserves the right to cancel or change the benefit plans and programs it offers to its employees at any time.

5. Paid Time Off. During the Employment Term, Executive will be entitled to twenty-five (25) days of paid time off ("**PTO**"), in accordance with the Company's PTO policy, or such other period as required under applicable law. PTO shall be taken at such time as mutually and reasonably agreed by Executive and the Board and in accordance with the Company's policies in effect from time to time for other similarly situated employees. For purposes of clarity, any PTO to which Executive is entitled by statute or other applicable law or regulation will offset and be counted against any contractual PTO provided in accordance with this Agreement and the Company's PTO policy. Executive will receive paid holidays in accordance with the Company's regular holiday practices.

6. Expenses. The Company will reimburse Executive for reasonable travel, entertainment or other expenses incurred by Executive in the furtherance of or in connection with the

performance of Executive's duties hereunder, in accordance with the Company's expense reimbursement policy as in effect from time to time.

7. Severance Benefits.

(a) Qualifying Non-CIC Termination. On a Qualifying Non-CIC Termination (as defined below), the Executive will be eligible to receive the following payments and benefits from the Company, subject to Section 7(e):

(i) Salary Severance. A single, lump sum payment equal to six (6) months of the Executive's Salary (as defined below), less applicable withholdings.

(ii) Bonus Severance. A single, lump sum payment equal to 50% of the Executive's target annual bonus as in effect for the fiscal year in which the Qualifying Non-CIC Termination occurs, less applicable withholdings.

(iii) Health Insurance Coverage. Subject to Section 7(d), the Company will pay the premiums for coverage under COBRA (as defined below) for the Executive and the Executive's eligible dependents, if any, at the rates then in effect, subject to any subsequent changes in rates that are generally applicable to the Company's active employees (the "**Health Insurance Coverage**"), until the earliest of (A) a period of twelve (12) months from the date of the Executive's termination of employment, (B) the date upon which the Executive (and the Executive's eligible dependents, as applicable) becomes covered under similar plans, or (C) the date upon which the Executive ceases to be eligible for coverage under COBRA.

(b) Qualifying CIC Termination. On a Qualifying CIC Termination, the Executive will be eligible to receive the following payments and benefits from the Company, subject to Section 7(e):

(i) Salary Severance. A single, lump sum payment equal to twelve (12) months of the Executive's Salary, less applicable withholdings.

(ii) Bonus Severance. A single, lump sum payment equal to 100% of the Executive's Target Bonus as in effect for the fiscal year in which the Qualifying CIC Termination occurs, less applicable withholdings.

(iii) Health Insurance Coverage. Subject to Section 7(d), the Company will provide Health Insurance Coverage until the earliest of (A) a period of twelve (12) months from the date of the Executive's termination of employment, (B) the date upon which the Executive (and the Executive's eligible dependents, as applicable) becomes covered under similar plans, or (C) the date upon which the Executive ceases to be eligible for coverage under COBRA.

(iv) Equity Vesting. Vesting acceleration (and exercisability, as applicable) as to 100% of the then-unvested shares subject to each of the Executive's then-outstanding Company equity awards. In the case of an equity award with performance-based vesting, unless otherwise specified in the applicable equity award agreement governing such award, all performance goals and other vesting criteria will be deemed achieved at the greater of actual performance measured as of the date of termination or 100% of target levels. For the avoidance of doubt, in the event of the Executive's Qualifying Pre-CIC Termination (as defined below), any unvested portion of the Executive's then-outstanding equity awards will remain outstanding until the earlier of (x) three (3) months following the Qualifying Termination or (y) the occurrence of a Change in Control, solely so that any benefits due on a Qualifying Pre-CIC Termination can be

provided if a Change in Control occurs within three (3) months following the Qualifying Termination (provided that in no event will the Executive's stock options or similar equity awards remain outstanding beyond the equity award's maximum term to expiration). If no Change in Control occurs within three (3) months following a Qualifying Termination, any unvested portion of the Executive's equity awards automatically and permanently will be forfeited on the date that is three (3) months following the date of the Qualifying Termination without having vested.

(c) Termination Other Than a Qualifying Termination. If the termination of the Executive's employment with the Company Group is not a Qualifying Termination, then the Executive will not be entitled to receive severance or other benefits, except with respect to any statutory benefits required under applicable law.

(d) Conditions to Receipt of Health Insurance Coverage. The Executive's receipt of Health Insurance Coverage is subject to the Executive electing COBRA continuation coverage within the time period prescribed pursuant to COBRA for the Executive and the Executive's eligible dependents, if any. If the Company determines in its sole discretion that it cannot provide the Health Insurance Coverage pursuant to COBRA either (i) because COBRA is not available in the jurisdiction in which Executive is employed, or (ii) without potentially violating, or being subject to an excise tax under, applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then in lieu of any Health Insurance Coverage, the Company will provide to the Executive a taxable monthly payment payable on the last day of a given month (except as provided by the immediately following sentence), in an amount equal to (A) if Health Insurance Coverage pursuant to COBRA is not available in the jurisdiction in which Executive is employed, an amount equal to the premium that was required to be paid for health coverage in effective immediately prior to Executive's termination, which will include employer and employee contributions to payment of those premiums), or (B) the monthly COBRA premium that the Executive would be required to pay to continue his or her group health coverage in effect on the date of his or her Qualifying Termination (which amount will be based on the premium rates applicable for the first month of Health Insurance Coverage for the Executive and any of eligible dependents of the Executive) (each, a "**Health Coverage Replacement Payment**"), which Health Coverage Replacement Payments will be made regardless of whether the Executive elects COBRA continuation coverage, if applicable, and will end on the earlier of (x) the date upon which the Executive obtains other employment or (y) the date the Company has paid an amount totaling the number of Health Coverage Replacement Payments equal to the number of months in the applicable Health Insurance Coverage period. For the avoidance of doubt, the Health Insurance Replacement Payments may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to any applicable withholdings as required by applicable law. Notwithstanding anything to the contrary under this Agreement, if the Company determines in its sole discretion at any time that it cannot provide the Health Insurance Replacement Payments without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Executive will not receive the Health Insurance Replacement Payments or any further Health Insurance Coverage.

(e) Non-Duplication of Payment or Benefits. For purposes of clarity, in the event of a Qualifying Pre-CIC Termination, any severance payments and benefits to be provided to the Executive under Section 7(b) will be reduced by any amounts that already were provided to the Executive under Section 7(a). Notwithstanding any provision of this Agreement to the contrary, if the Executive is entitled to any cash severance, continued health coverage benefits, or vesting acceleration of any equity awards (other than under this Agreement) by operation of applicable law or under a plan, policy, contract, or arrangement sponsored by or to which any member of the Company Group is a party, including, but not limited to, Statutory Severance Benefits (collectively, "**Other Benefits**"), then the corresponding severance payments and benefits under this Agreement will be reduced by the amount of Other Benefits paid or provided to the Executive.

(f) Death of the Executive. In the event of the Executive's death before all payments or benefits the Executive is entitled to receive under this Agreement have been provided, the unpaid amounts will be provided to the Executive's designated beneficiary, if living, or otherwise to the Executive's personal representative in a single lump sum as soon as possible following the Executive's death.

(g) Transfer Between Members of the Company Group. For purposes of this Agreement, if the Executive is involuntarily transferred from one member of the Company Group to another, the transfer will not be a termination without Cause but may give the Executive the ability to resign for Good Reason.

(h) Exclusive Remedy. In the event of a termination of the Executive's employment with the Company Group, the provisions of this Agreement are intended to be and are exclusive and in lieu of any other rights or remedies to which the Executive may otherwise be entitled, whether at law, tort or contract, or in equity. The Executive will be entitled to no benefits, compensation or other payments or rights upon termination of employment other than those benefits expressly set forth in this Agreement.

(i) Statutory Severance. In the event that Executive becomes eligible to receive statutory severance payments or benefits required under applicable law ("**Statutory Severance Benefits**"), such Statutory Severance Benefits will be provided to Executive in accordance with applicable law.

8. Accrued Compensation. On any termination of the Executive's employment with the Company Group, the Executive will be entitled to receive all accrued but unpaid vacation, expense reimbursements, wages, and other benefits due to the Executive under any Company-provided plans, policies, and arrangements in accordance with applicable law.

9. Conditions to Receipt of Severance.

(a) Separation Agreement and Release of Claims. The Executive's receipt of any severance payments or benefits upon the Executive's Qualifying Termination under Section 7 is subject to the Executive signing and not revoking the Company's then-standard separation agreement and release of claims (which may include an agreement not to disparage any member of the Company Group, non-solicit provisions, an agreement to assist in any litigation matters, and other standard terms and conditions) (the "**Release**"), which must become effective and irrevocable no later than the 60th day following the Executive's Qualifying Termination (the "**Release Deadline**"). If the Release does not become effective and irrevocable by the Release Deadline, the Executive will forfeit any right to severance payments or benefits under Section 7.

(b) Payment Timing. Any lump sum Salary or bonus payments under Sections 7(a)(i), 7(a)(ii), 7(b)(i), and 7(b)(ii) will be provided on the first regularly scheduled payroll date of the Company following the date the Release becomes effective and irrevocable (the "**Severance Start Date**"), subject to any delay required by Section 9(d) below. Any restricted stock units, performance shares, performance units, and/or similar full value awards that accelerate vesting under Section 7(b)(iv) will be settled (x) on a date no later than ten (10) days following the date the Release becomes effective and irrevocable, or (y) if later, in the event of a Qualifying Pre-CIC Termination, on a date no later than the Change in Control.

(c) Return of Company Property. The Executive's receipt of any severance payments or benefits upon the Executive's Qualifying Termination under Section 7 is subject to the Executive returning all documents and other property provided to the Executive by any member of

the Company Group (with the exception of a copy of the Company employee handbook and personnel documents specifically relating to the Executive), developed or obtained by the Executive in connection with his employment with the Company Group, or otherwise belonging to the Company Group.

(d) Section 409A. The Company intends that all payments and benefits provided under this Agreement or otherwise are exempt from, or comply with, the requirements of Section 409A of the Code and any guidance promulgated under Section 409A of the Code (collectively, "**Section 409A**") so that none of the payments or benefits will be subject to the additional tax imposed under Section 409A, and any ambiguities in this Agreement will be interpreted in accordance with this intent. No payment or benefits to be paid to the Executive, if any, under this Agreement or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "**Deferred Payments**") will be paid or otherwise provided until the Executive has a "separation from service" within the meaning of Section 409A. If, at the time of the Executive's termination of employment, the Executive is a "specified employee" within the meaning of Section 409A, then the payment of the Deferred Payments will be delayed to the extent necessary to avoid the imposition of the additional tax imposed under Section 409A, which generally means that the Executive will receive payment on the first payroll date that occurs on or after the date that is 6 months and 1 day following the Executive's termination of employment. The Company reserves the right to amend this Agreement as it considers necessary or advisable, in their sole discretion and without the consent of the Executive or any other individual, to comply with any provision required to avoid the imposition of the additional tax imposed under Section 409A or to otherwise avoid income recognition under Section 409A prior to the actual payment of any benefits or imposition of any additional tax. Each payment, installment, and benefit payable under this Agreement is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2). In no event will any member of the Company Group reimburse, indemnify, or hold harmless the Executive for any taxes, penalties and interest that may be imposed, or other costs that may be incurred, as a result of Section 409A.

(e) Resignation of Officer and Director Positions. The Executive's receipt of any severance payments or benefits upon the Executive's Qualifying Termination under Section 7 is subject to the Executive resigning from all officer and director positions with all members of the Company Group and the Executive executing any documents the Company may require in connection with the same.

10. Limitation on Payments.

(a) Reduction of Severance Benefits. If any payment or benefit that the Executive would receive from any Company Group member or any other party whether in connection with the provisions in this Agreement or otherwise (the "**Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then the Payment will be equal to the Best Results Amount. The "**Best Results Amount**" will be either (x) the full amount of the Payment or (y) a lesser amount that would result in no portion of the Payment being subject to the Excise Tax, whichever of those amounts, taking into account the applicable federal, state and local employment taxes, income taxes and the Excise Tax, results in the Executive's receipt, on an after-tax basis, of the greater amount. If a reduction in payments or benefits constituting parachute payments is necessary so that the Payment equals the Best Results Amount, reduction will occur in the following order: (A) reduction of cash payments in reverse chronological order (that is, the cash payment owed on the latest date following the occurrence of the event triggering the excise tax will be the first cash payment to be reduced); (B) cancellation of equity awards that were granted

"contingent on a change in ownership or control" within the meaning of Section 280G of the Code in the reverse order of date of grant of the awards (that is, the most recently granted equity awards will be cancelled first); (C) reduction of the accelerated vesting of equity awards in the reverse order of date of grant of the awards (that is, the vesting of the most recently granted equity awards will be cancelled first); and (D) reduction of employee benefits in reverse chronological order (that is, the benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first benefit to be reduced). In no event will the Executive have any discretion with respect to the ordering of Payment reductions. The Executive will be solely responsible for the payment of all personal tax liability that is incurred as a result of the payments and benefits received under this Agreement, and the Executive will not be reimbursed, indemnified, or held harmless by any member of the Company Group for any of those payments of personal tax liability.

(b) Determination of Excise Tax Liability. Unless the Company and the Executive otherwise agree in writing, the Company will select a professional services firm (the "**Firm**") to make all determinations required under this Section 10, which determinations will be conclusive and binding upon the Executive and the Company for all purposes. For purposes of making the calculations required by this Section 10, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Executive will furnish to the Firm such information and documents as the Firm reasonably may request in order to make determinations under this Section 10. The Company will bear the costs and make all payments for the Firm's services in connection with any calculations contemplated by this Section 10. The Company will have no liability to the Executive for the determinations of the Firm.

11. Definitions. The following terms referred to in this Agreement will have the following meanings:

(a) "**Board**" means the Parent's Board of Directors.

(b) "**Cause**" means the occurrence of any of the following: (i) any willful, material violation by the Executive of any law or regulation applicable to the business of any Company Group member, the Executive's conviction for, or plea of guilty or no contest to, a felony or a crime involving moral turpitude, or any willful perpetration by the Executive of a common law fraud, (ii) the Executive's commission of an act of personal dishonesty which involves personal profit in connection with any Company Group member or any other entity having a business relationship with any Company Group member; (iii) any material breach by the Executive of any provision of any agreement or understanding between any Company Group member and the Executive regarding the terms of the Executive's service as an employee, officer, director or consultant to any Company Group member, including without limitation, the willful and continued failure or refusal of the Executive to perform the material duties required of the Executive as an employee, officer, director or consultant of any Company Group member, other than as a result of having a Disability, or a breach of any applicable invention assignment and confidentiality agreement or similar agreement between any Company Group member and the Executive, (iv) the Executive's disregard of the policies of any Company Group member so as to cause loss, damage or injury to the property, reputation or employees of any Company Group member, or (v) any other misconduct by the Executive which is materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, any Company Group member.

(c) "**Change in Control**" means the occurrence of any of the following events:

(i) A change in the ownership of the Parent which occurs on the date that any one person, or more than one person acting as a group ("**Person**"), acquires ownership of shares

in the capital of the Parent that, together with the shares held by such Person, constitutes more than 50% of the total voting power in the Parent; provided, however, that for purposes of this subsection, (A) the acquisition of additional shares by any one Person, who is considered to own more than 50% of the total voting power in the Parent will not be considered a Change in Control, and (B) if the shareholders of the Parent immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares in the capital of the Parent immediately prior to the change in ownership, the direct or indirect beneficial ownership of 50% or more of the total voting power in the Parent or of the ultimate parent entity of the Parent, such event will not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership will include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Parent, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

(ii) A change in the effective control of the Parent which occurs on the date that a majority of members of the Board is replaced during any 12 month period by members of the Board whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this subsection (ii), if any Person is considered to be in effective control of the Parent, the acquisition of additional control of the Parent by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Parent's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Parent that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Parent immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Parent's assets: (A) a transfer to an entity that is controlled by the Parent's shareholders immediately after the transfer, or (B) a transfer of assets by the Parent to: (1) a shareholder of the Parent (immediately before the asset transfer) in exchange for or with respect to the shares in the Parent's share capital, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Parent, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding shares in the capital of the Parent, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Parent, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar capital reorganization or business combination transaction with the Parent.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the jurisdiction of the Parent's incorporation, (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Parent's securities immediately before such transaction, or

(iii) its sole purpose is to effect a private financing of the Parent through a change in the ownership of the stock of the Parent that is approved by the Board.

(d) "**Change in Control Period**" means the period beginning three (3) months prior to a Change in Control and ending twelve (12) months following a Change in Control.

(e) **"COBRA"** means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(f) "**Code**" means the Internal Revenue Code of 1986, as amended.

(g) "**Company Group**" means the Parent and its subsidiaries, including, for the avoidance of doubt, the Company.

(h) "**Confidentiality Agreement**" means the Company's Confidential Information and Invention Assignment Agreement executed by Executive on September 4, 2018.

(i) "**Disability**" means a total and permanent disability as defined in Section 22(e)(3) of the Code.

(j) "**Good Reason**" means the termination of the Executive's employment with the Company Group by the Executive in accordance with the next sentence after the occurrence of one or more of the following events without the Executive's express written consent: (i) a material reduction of the Executive's duties, authorities, or responsibilities relative to the Executive's duties, authorities, or responsibilities in effect immediately prior to the reduction; provided, however, that continued employment following a Change in Control with substantially the same duties, authorities, or responsibilities with respect to the Company Group's business and operations will not constitute "Good Reason" (for example, "Good Reason" does not exist if the Executive is employed by the Company Group or a successor with substantially the same duties, authorities, or responsibilities with respect to the Company Group's business that the Executive had immediately prior to the Change in Control regardless of whether the Executive's title is revised to reflect the Executive's placement within the overall corporate hierarchy or whether the Executive provides services to a subsidiary, affiliate, business unit or otherwise); and provided further that Executive's resignation as Chief Executive Officer of Parent and transition into the position of Chief Technology Officer of the Company will not constitute "Good Reason"; (ii) a reduction by a Company Group member in the Executive's rate of annual base salary by more than 10%; provided, however, that, a reduction of annual base salary that also applies to substantially all other similarly situated employees of the Company Group members will not constitute "Good Reason"; (iii) a material change in the geographic location of the Executive's primary work facility or location by more than thirty-five (35) miles from the Executive's then present location; provided, that a relocation to a location that is within thirty-five (35) miles from the Executive's then-present primary residence will not be considered a material change in geographic location, or (iv) failure of a successor corporation to assume the obligations under this Agreement as contemplated by Section 12. In order for the termination of the Executive's employment with a Company Group member to be for Good Reason, the Executive must not terminate employment without first providing written notice to the Company of the acts or omissions constituting the grounds for "Good Reason" within sixty (60) days of the initial existence of the grounds for "Good Reason" and a cure period of 30 days following the date of written notice (the "**Cure Period**"), the grounds must not have been cured during that time, and the Executive must terminate the Executive's employment within thirty (30) days following the Cure Period.

(k) "**Qualifying Termination**" means a termination of the Executive's employment either (i) by a Company Group member without Cause (excluding by reason of Executive's death or Disability) or (ii) by the Executive for Good Reason, in either case, during the Change in Control Period (a "**Qualifying CIC Termination**") or outside of the Change in Control Period (a "**Qualifying Non-CIC Termination**").

(l) "**Qualifying Pre-CIC Termination**" means a Qualifying CIC Termination that occurs prior to the date of the Change in Control.

(m) "**Salary**" means the Executive's annual base salary as in effect immediately prior to the Executive's Qualifying Termination (or if the termination is due to a resignation for Good Reason based on a material reduction in base salary, then the Executive's annual base salary in effect immediately prior to the reduction) or, if the Executive's Qualifying Termination is a Qualifying CIC Termination and the amount is greater, at the level in effect immediately prior to the Change in Control.

12. Successors. This Agreement will be binding upon and inure to the benefit of (a) the heirs, executors, and legal representatives of the Executive upon the Executive's death, and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of this Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation, or other business entity which at any time, whether by purchase, merger, or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of the Executive to receive any form of compensation payable pursuant to this Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance, or other disposition of the Executive's right to compensation or other benefits will be null and void.

13. Notice.

(a) General. All notices and other communications required or permitted under this Agreement shall be in writing and will be effectively given (i) upon actual delivery to the party to be notified, (ii) upon transmission by email, (iii) 24 hours after confirmed facsimile transmission, (iv) 1 business day after deposit with a recognized overnight courier, or (v) 3 business days after deposit with the U.S. Postal Service by first class certified or registered mail, return receipt requested, postage prepaid, addressed (A) if to the Executive, at the address the Executive shall have most recently furnished to the Company in writing, (B) if to the Company, at the following address:

Elasticsearch, Inc.
800 West El Camino Real, Suite 350
Mountain View, CA 94040
Attention: Senior Vice President, Global Human Resources

(b) Notice of Termination. Any termination by a Company Group member for Cause will be communicated by a notice of termination to the Executive, and any termination by the Executive for Good Reason will be communicated by a notice of termination to the Company, in each case given in accordance with Section 13(a) of this Agreement. The notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than thirty (30) days after the later of (i) the giving of the notice or (ii) the end of any applicable cure period).

14. Resignation. The termination of the Executive's employment for any reason will also constitute, without any further required action by the Executive, the Executive's voluntary resignation from all officer and/or director positions held at any member of the Company Group, and at the Board's request, the Executive will execute any documents reasonably necessary to reflect the resignations.

15. Confidential Information. Executive agrees to continue to be subject to the terms of the Confidentiality Agreement, which will continue in full force and effect. Further, Executive and the Parent entered into the Assignment of Technology Agreement dated September 3, 2012 (the "**Assignment Agreement**"), which will continue in full force and effect.

16. Protected Activity Not Prohibited. Executive understands that nothing in this Agreement, or any other agreement or policy with or by the Company, will in any way limit or prohibit Executive from engaging in any Protected Activity. For purposes of this Agreement, "**Protected Activity**" will mean filing a charge, complaint, or report with, or otherwise communicating, cooperating, or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("**Government Agencies**"). Executive understands that in connection with such Protected Activity, Executive is permitted to disclose documents or other information as permitted by law, and without giving notice to, or receiving authorization from, the Company. Notwithstanding the foregoing, Executive agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company confidential information under the Confidentiality Agreement to any parties other than the Government Agencies. Executive further understands that "**Protected Activity**" does not include the disclosure of any Company attorney-client privileged communications. Any language in the Confidentiality Agreement, or any other agreement or policy of the Company, regarding Executive's right to engage in Protected Activity that conflicts with, or is contrary to, this paragraph is superseded by this provision. In addition, pursuant to the Defend Trade Secrets Act of 2016, Executive is notified that an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made in confidence to a federal, state, or local government official (directly or indirectly) or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if (and only if) such filing is made under seal. In addition, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

17. Miscellaneous Provisions.

(a) No Duty to Mitigate. The Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any payment be reduced by any earnings that the Executive may receive from any other source except as specified in Section 7(e).

(b) Waiver; Amendment. No provision of this Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by an authorized officer of the Company (other than the Executive) and by the Executive. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Entire Agreement. This Agreement, the Assignment Agreement, and the Confidentiality Agreement constitute the entire agreement of the parties and supersedes in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter of this Agreement, including, for the avoidance of doubt, any other employment letter or agreement, severance policy or program, or equity award agreement.

(e) Choice of Law. This Agreement will be governed by the laws of the State of California without regard to California's conflicts of law rules that may result in the application of the laws of any jurisdiction other than California. To the extent that any lawsuit is permitted under this Agreement, Executive hereby expressly consents to the personal and exclusive jurisdiction and venue of the state and federal courts located in California for any lawsuit filed against the Executive by the Company. In the event Executive becomes employed by a member of the Company Group and is primarily providing services hereunder in a jurisdiction other than California, then the laws and venue of that jurisdiction will apply for purposes of this Agreement.

(f) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

(g) Taxation. All payments made pursuant to this Agreement will be subject to withholding of any applicable taxes. Executive acknowledges that he has reviewed with his own tax advisors the federal, state, local and foreign tax consequences of payments and transactions described in this Agreement, and he is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Executive understands that Executive (and not the Company or any other member of the Company Group) shall be responsible for any tax liability (other than employment tax liability owed by the Company or any other member of the Company Group) that may arise as a result of the payments and transactions contemplated by this Agreement.

(h) Acknowledgment. Executive acknowledges that he has had the opportunity to discuss this matter with and obtain advice from his private attorney, has had sufficient time to, and has carefully read and fully understands all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

(i) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year first above written.

COMPANY:

Elasticsearch, Inc.

By: /s/ Leah Sutton Date: January 11, 2022

Title: SVP, Global Human Resources

EXECUTIVE:

/s/ Shay Banon Date: January 11, 2022
Shay Banon

[SIGNATURE PAGE TO BANON AMENDED AND RESTATED EMPLOYMENT AGREEMENT]

Exhibit 10.3

January 12, 2022

Paul Andrew Appleby
175 Britton Avenue,
Atherton, CA 94027

Re: Separation and Transition Agreement

Dear Paul:

In connection with the decision to terminate your role as the President, Worldwide Field Operations, and to assist with the transition of your duties and responsibilities, this letter agreement ("Agreement") confirms that your employment with Elasticsearch, Inc. and its affiliates (collectively, the "Company") is being terminated based on our agreement in accordance with the terms and conditions discussed below.

This Agreement summarizes the terms of your separation from the Company and release between you and the Company. The purpose of this Agreement is to establish an amicable arrangement for ending your employment relationship, for you to release the Company of any claims and to resolve any disputes you may have with the Company regarding your employment or separation from that employment, and to permit you to receive severance pay and related benefits to the extent specified below. With these understandings, and in exchange for the promises of you and the Company as set forth below, you and the Company agree as follows:

1. You stepped down from your role as President, Worldwide Field Operations on January 12, 2022 (the "Transition Date"). From the date of this Letter Agreement through the Separation Date as defined below (the "Transition Period"), you will continue to be employed pursuant to the current terms of your employment, provided that it is the parties' expectation that you will not be granted any new equity awards following the Transition Date.

Your employment will end on June 9, 2022 (the "Scheduled Separation Date"), or earlier as provided in the remainder of this paragraph (the date of your actual termination of employment, the "Separation Date"). You are free to terminate your employment at any time during the Transition Period for any reason or for no reason. Similarly, the Company is free to terminate your employment at any time during the Transition Period, in the event you violate any material terms of this Agreement or the Company's Employment, Confidential Information and Invention Assignment Agreement that you executed in connection with your hire (the "Confidentiality Agreement").

During the Transition Period you will remain employed by the Company as a Strategic Advisor engaging in activities relating to the transition of your former duties as President, Worldwide Field Operations to your successor, as well as providing services relating to matters that you and the Company's Chief Executive Officer mutually agree on, reporting to the Chief Executive Officer.

2. Per applicable law, the Company will pay you your final paycheck (subject to applicable withholding) on the Separation Date. You acknowledge and agree that, other than the consideration set forth in this Agreement (Section 3), the Company, upon providing you with reimbursements of expenses if any, has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest,

severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to you.

3. If you remain employed with the Company through the Scheduled Separation Date or are terminated without Cause as defined in the Company's Executive CIC Severance Plan, then you will be entitled to the severance benefits set forth in this Section 3, which are provided for in the Change in Control and Severance Agreement between you and the Company (the "Severance Agreement"), subject to you executing and not revoking the Supplemental Separation Agreement attached hereto as Exhibit A (the "Supplemental Separation Agreement"), which must become effective and irrevocable within sixty (60) days of the Scheduled Separation Date, in accordance with the terms below:

a. The Company will pay you a lump sum payment equal to $250,000, less applicable withholdings, which is equal to six (6) months of your annual base salary as in effect immediately prior to the Separation Date, payable on the first regular payroll date following sixty (60) days after the Separation Date.

b. The Company will pay you a lump-sum cash payment equal to $150,000, which is an amount equal to 50% of your annual target incentive bonus for the year of the Separation Date, payable on the first regular payroll date following sixty (60) days after the Separation Date.

c. If you timely elect continued group health plan continuation coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), the Company will pay the full amount of your premiums on your behalf for continued coverage under the Company's group health plans, including coverage for your eligible dependents, for twelve (12) months from the date you and your eligible dependents suffer a loss of health coverage under the Company's group health plan (calculated from the first day of the month following the date you and your eligible dependents suffer such loss of coverage) or until such earlier date on which you becomes eligible for health coverage from another employer.

Each of the severance benefits described above are, in all cases, subject to the terms and conditions of this Agreement and subject to (i) any required tax or other withholdings, (ii) any garnishment, support or withholding orders required by law, and (iii) any debt obligation you owe to the Company as of the Separation Date. To the extent that any severance benefit or any other reimbursement or in-kind benefit under this Agreement or under any other reimbursement or in-kind benefit plan or arrangement in which you participate provides for a "deferral of compensation" within the meaning of Section 409A (as defined below) and otherwise are not exempt from and do not otherwise comply with Section 409A, they will be made in accordance with Section 409A, including, but not limited to, the following provisions: (i) the amount eligible for reimbursement or in-kind benefit in one calendar year may not affect the amount eligible for reimbursement or in-kind benefit in any other calendar year; (ii) the right to the applicable reimbursement or in-kind benefit is not subject to liquidation or exchange for another benefit or payment; (iii) to the extent there is any reimbursement of an expense, subject to any shorter time periods provided in this Agreement or in the applicable reimbursement arrangement, any such reimbursement of an expense or in-kind benefit must be made on or before the last day of your taxable year following your taxable year in which the expense was incurred; and (iv) except as specifically provided herein or in the applicable reimbursement arrangement, in-kind benefits will be provided, and reimbursements will be made for expenses incurred, only during your lifetime. The prior sentence assumes that the calendar year is your taxable year; if not, reference to "calendar year" in the prior sentence will relate to your taxable year.

4. Your regular health insurance benefits shall continue through the last day of the month in which your Separation Date occurs, subject to your right to continue your health

insurance under COBRA. Subject to Section 1, your participation in all benefits and incidents of employment, including, but not limited to, vesting of equity awards, vacation, and paid time off, ceases as of the Separation Date.

5. You acknowledge that you have entered into the Confidentiality Agreement. You further acknowledge that, separate from this Agreement (but, for avoidance of doubt, subject to Section 6 of this Agreement), you remain under continuing obligations to the Company under the Confidentiality Agreement, including the provisions therein regarding nondisclosure of the Company's trade secrets and confidential and proprietary information.

Nothing in this Agreement or the Confidentiality Agreement prohibits you from reporting possible violations of United States federal law or regulation to any United States governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of United States federal law or regulation without prior authorization from or any notice to the Company.

6. You understand that nothing in this Agreement or the Confidentiality Agreement shall in any way limit or prohibit you from engaging in any Protected Activity. Protected Activity includes filing and/or pursuing a charge, complaint, or report with, or otherwise communicating, cooperating, or participating in any investigation or proceeding that may be conducted by any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("Government Agencies"). Protected Activity also includes the right to disclose information pertaining to sexual harassment or any other unlawful or potentially unlawful conduct and/or to testify in an administrative, legislative, or judicial proceeding concerning alleged criminal conduct or alleged sexual harassment on the part of any party to this Agreement, or on the part of the agents or employees of that party, when you have been required or requested to attend the proceeding pursuant to a court order, subpoena, or written request from an administrative agency or the legislature, or as otherwise protected by applicable law. You understand that in connection with such Protected Activity, you are permitted to disclose documents or other information as permitted by law, without giving notice to, or receiving authorization from, the Company. Notwithstanding the foregoing, you agree to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company confidential information under the Confidential Information Agreement to any parties or in a manner not protected by applicable law. You further understand that "Protected Activity" does not include the disclosure of any Company attorney-client privileged communications or attorney work product. Any language in the Confidential Information Agreement regarding your right to engage in Protected Activity that conflicts with, or is contrary to, this section is superseded by this Agreement. In addition, pursuant to the Defend Trade Secrets Act of 2016, you are notified that an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made in confidence to a federal, state, or local government official (directly or indirectly) or to an attorney *solely* for the purpose of reporting or investigating a suspected violation of law, or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if (and only if) such filing is made under seal. In addition, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

7. You and the Company wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that you may have against the Company and any of the Releasees as defined below, including, but not limited to, any and all claims arising

out of or in any way related to your employment with or separation from employment with the Company. In consideration for receiving the consideration in section 3 above, you waive and release and promise never to assert any and all claims or causes of action, whether or not now known, that you have or might have against the Company or its predecessors, successors, subsidiaries, parents (including, without limitation, Elastic N.V., a Dutch public company with limited liability), affiliates, investors, branches or related entities (collectively, including the Company and Elastic N.V., the "Entities") or the Entities' officers, directors, employees, stockholders, partners, members, consultants, agents, attorneys, employee benefit plans or assigns (collectively, the Entities and the persons above are the "Releasees"), arising from any omissions, acts, facts, or damages that have occurred up until and including the date you sign this Agreement, including (without limitation):

a. any and all claims relating to or arising from your employment relationship with the Company and the termination of that relationship;

b. any and all claims relating to, or arising from, your right to purchase, or actual purchase of shares of stock of the Entities, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

c. any and all claims for wrongful discharge of employment, termination in violation of public policy, discrimination, harassment, retaliation, breach of contract (both express and implied), breach of covenant of good faith and fair dealing (both express and implied), promissory estoppel, negligent or intentional infliction of emotional distress, fraud, negligent or intentional misrepresentation, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, defamation, libel, slander, negligence, personal injury, assault, battery, invasion of privacy, false imprisonment, conversion, and disability benefits;

d. any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Equal Pay Act, the Fair Labor Standards Act, the Fair Credit Reporting Act, the Employee Retirement Income Security Act of 1974, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Immigration Reform and Control Act, the California Family Rights Act, the California Labor Code, and the California Workers' Compensation Act;

e. any and all claims for violation of the federal or any state constitution;

f. any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

g. any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds received by you as a result of this Agreement; and

h. any and all claims for attorneys' fees and costs.

You agree that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement. This release does not release (i) claims that cannot be released as a matter of law, (ii) claims for coverage under any D&O or other similar insurance policy or (iii) coverage under any indemnification agreement or arrangement between you and

the Company. This release does not extend to any right you may have to unemployment compensation benefits. Notwithstanding anything to the contrary, this release does not release or waive any claims you may have under the California Fair Employment and Housing Act.

8. You acknowledge that you have been advised to consult with legal counsel and are familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

You, being aware of said code section, agree to expressly waive any rights you may have thereunder, as well as under any other statute or common law principles of similar effect.

You understand and agree that claims or facts in addition to or different from those which are now known or believed by you to exist may hereafter be discovered, but it is your intention to release all claims you have or may have against the Releasees, whether known or unknown, suspected or unsuspected.

9. Subject to Protected Activity as provided above, you agree that you will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so or upon written request from an administrative agency or the legislature. You agree both to immediately notify the Company upon receipt of any such subpoena or court order or written request from an administrative agency or the legislature, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or other court order or written request from an administrative agency or the legislature. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Releasees, you shall state no more than that you cannot provide counsel or assistance.

10. Subject to the Protected Activity exception above, you will not, unless required by law, disclose to others any information regarding the terms of this Agreement, the benefit being paid under it or the fact of its payment, except that you may disclose this information to your spouse (if applicable), attorney, accountant or other professional advisor to whom you must make the disclosure in order for them to render professional services to you. You will instruct them, however, to maintain the confidentiality of this information, just as you must.

11. In the event that you breach any of your obligations under this Agreement, the Company will be entitled to recover the severance benefits provided for in Section 3 and to obtain all other relief provided by law or equity, except as prohibited by law.

12. You have been granted equity awards covering the Company ordinary shares represented by award agreements between you and the Company. You agree that for purposes of determining the number of ordinary shares of Elastic N.V. that you are entitled to purchase or receive pursuant to the equity awards, that you are considered to have vested only up to the Separation Date and will not vest in any equity awards thereafter. The equity awards and the shares acquired thereunder will continue to be governed by the terms and conditions of the award agreements and the plans under which they were granted.

13. You agree that no promise, inducement or other agreement not expressly contained in this Agreement or referred to in this Agreement, has been made conferring any benefit upon you, and that this Agreement contains the entire agreement between you and the Company with respect to its subject matter, including but not limited to the termination of your employment. All prior agreements, understandings, representations, oral agreements and writings with respect to the subject matter of this Agreement (including, but not limited to, the offer letter between you and the Company dated August 10, 2020 and the Severance Agreement), except for the Confidentiality Agreement and your equity award agreements, are expressly superseded hereby and are of no further force and effect, and you expressly agree that you are not relying on any representations that are not contained in this Agreement. This Agreement may not be changed except in writing signed by you and the Company's Senior Vice President, Global Human Resources. If any term of this Agreement is held to be invalid, void or unenforceable, the remainder of this Agreement will remain in full force and effect and will in no way be affected, and the parties will use their best efforts to find an alternate way to achieve the same result. Nothing contained in this Agreement will constitute or be treated as an admission by you or the Company of liability, any wrongdoing or any violation of law.

14. The Company makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to you or made on your behalf under the terms of this Agreement. You agree and understand that you are responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company and any penalties or assessments thereon. You further agrees to indemnify and hold the Releasees harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Company for any amounts claimed due on account of (a) your failure to pay or delayed payment of federal or state taxes, or (b) damages sustained by the Company by reason of any such claims, including attorneys' fees and costs. The Parties agree and acknowledge that the payments made pursuant to this Agreement do not fall within the scope of 26 U.S.C. Section 162(q).

15. It is intended that this Agreement comply with, or be exempt from, Code Section 409A and the final regulations and official guidance thereunder ("Section 409A") and any ambiguities herein will be interpreted to so comply and/or be exempt from Section 409A. Each payment and benefit to be paid or provided under this Agreement is intended to constitute a series of separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. Payments under this Agreement will be made no later than March 15, 2023. The Company and you will work together in good faith to consider either (i) amendments to this Agreement; or (ii) revisions to this Agreement with respect to the payment of any awards, which are necessary or appropriate to avoid imposition of any additional tax or income recognition prior to the actual payment to you under Section 409A. In no event will the Releasees reimburse you for any taxes that may be imposed on you as a result of Section 409A.

16. This Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions. You consent to personal and exclusive jurisdiction and venue in the State of California.

17. This Agreement may be executed in counterparts, each of which will be considered an original, but all of which together will constitute one agreement. Execution of a facsimile, electronic or pdf copy will have the same force and effect as execution of an original, and a facsimile, electronic or pdf signature will be deemed an original and valid signature.

18. You understand that this Agreement shall be null and void if not executed by you within two (2) days (the "Deadline"). This Agreement will become effective on the date it has been signed by both Parties (the "Effective Date").

19. You understand and agree that you executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of your claims against the Company and any of the other Releasees. You acknowledge that:

a. You have read this Agreement;

b. You have been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of your own choice, or have had an opportunity to be represented by legal counsel of your choice;

c. You understand the terms and consequences of this Agreement and of the releases it contains;

d. You are fully aware of the legal and binding effect of this Agreement; and

e. You have not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

I am pleased that we were able to part ways on these amicable terms. The Company and I wish you every success in your future endeavors.

Sincerely,

/s/ Leah Sutton

Name: Leah Sutton
Title: SVP, Global HR

Enclosure

By signing this Agreement, I acknowledge that I have had the opportunity to review this Agreement carefully with an attorney of my choice; that I understand the terms of the Agreement; and that I voluntarily agree to them. I understand that I cannot pursue any of the claims and rights that I have waived in this Agreement at any time in the future.

Date: 1/28/2022

/s/ Paul Andrew Appleby
Name: Paul Andrew Appleby

Attachment A

SUPPLEMENTAL RELEASE

This Supplemental Release ("Supplemental Release") is made by and between Paul Andrew Appleby ("Employee") and Elasticsearch Inc. (the "Company") (collectively referred to as the "Parties" or individually referred to as a "Party").

RECITALS

WHEREAS, Employee was employed by the Company;

WHEREAS, Employee signed an offer letter with the Company dated August 10, 2020 (the "Offer Letter");

WHEREAS, Employee signed a Confidential Information and Invention Assignment Agreement with the Company in connection with his initial hiring with the Company (the "Confidentiality Agreement");

WHEREAS, the Parties entered into the Separation Agreement, dated January 12, 2022 (the "Agreement");

WHEREAS, the Company and Employee have entered into award agreements pursuant to which Employee was to purchase or receive ordinary shares of Elastic N.V. (the "Equity Awards"), each subject to the terms and conditions of the Elastic N.V. Amended and Restated 2012 Stock Option Plan (the "Plan") and the terms and conditions of the Award Agreements (collectively, with the Plan, the "Stock Agreements");

WHEREAS, Employee separated from employment with the Company effective June 9, 2022 (the "Separation Date"); and

WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Employee may have against the Company and any of the Releasees as defined below, including, but not limited to, any and all claims arising out of or in any way related to Employee's employment with or separation from the Company.

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Employee hereby agree as follows:

COVENANTS

1. Consideration. The Company agrees to pay Employee the severance benefits set forth in Section 3 of the Agreement. Employee acknowledges that without this Supplemental Release, Employee is otherwise not entitled to the consideration set forth in Section 3 of the Agreement.

2. No Additional Payments. Employee acknowledges and agrees that, other than the consideration set forth in this Supplemental Release (Section 1), the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Employee.

3. Release of Claims. Employee hereby releases and waives any and all claims arising against the Company or any of its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, professional employer organization or co-employer, insurers, trustees, divisions, subsidiaries, parents (including, without limitation, Elastic N.V., a Dutch public company with limited liability), predecessor and successor corporations, and assigns (collectively the "Releasees") as of the date of the execution of this Supplemental Release including, but not limited to, the following: (a) claims arising under the federal or any state constitution; (b) claims arising under the federal or any state statute, including the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Equal Pay Act, the Fair Labor Standards Act, the Fair Credit Reporting Act, the Employee Retirement Income Security Act of 1974, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Immigration Reform and Control Act, the California Family Rights Act, the California Labor Code, and the California Workers' Compensation Act; (c) claims arising under federal, state or local laws prohibiting discrimination in employment, including laws prohibiting discrimination in employment on the basis of race, sex, age, disability, national origin, or religion, such as the California Fair Employment and Housing Act; (d) claims for misclassification, wrongful discharge, breach of contract, breach of contract, breach of public policy, physical or mental harm or distress; (e) any claim for attorneys' fees and costs; (f) any and all claims relating to, or arising from, Employee's right to purchase, or actual purchase of shares of stock of the Company; (g) any claims of amounts due for fees, commissions, expenses, salary, bonuses, profit sharing, fringe benefits; and (h) any and all other claims arising from Employee's relationship with the Company or the termination of that relationship, including, but not limited to, claims that may have arisen since the date Employee signed the Agreement. Employee agrees that Employee will not file any legal action asserting any such claims. Employee agrees that the release set forth in this Section 3 shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to: (i) any obligations incurred under this Supplemental Release; or (ii) claims that cannot be released as a matter of law.

4. Equity Awards. Employee agrees that for purposes of determining the number of ordinary shares of Elastic N.V. that Employee is entitled to purchase or receive the outstanding Equity Awards, Employee is considered to have vested only up to the Separation Date and will not vest in Equity Awards thereafter. The Equity Awards and the shares acquired thereunder will continue to be governed by the terms and conditions of the Stock Agreements.

5. Return of Company Property. Employee's signature below constitutes Employee's certification under penalty of perjury that Employee has returned all documents and other items provided to Employee by the Company (with the exception of a copy of the Employee Handbook and personnel documents specifically relating to Employee), developed or obtained by Employee in connection with Employee's employment with the Company, or otherwise belonging to the Company. This includes, for example, building key(s), security pass, or other access or identification cards (including business cards) and any Company property that is or was in Employee's possession, including (without limitation) any documents, credit cards, computer equipment, mobile phones, and any information Employee has about the Company's practices, procedures, trade secrets, customer lists, or product marketing.

6. Extension of The Agreement's Provisions. The undersigned Parties further acknowledge that the terms of the Agreement, including, but not limited to, Sections 5 (Trade Secrets and Confidential Information), 6 (Protected Activity Not Prohibited), 14 (Tax Consequences), and 15 (Section 409A) of the Agreement shall apply to this Supplemental Release and are expressly incorporated herein.

7. Acknowledgment of Waiver of Claims under ADEA. Employee acknowledges that Employee is waiving and releasing any rights Employee may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Employee agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the date Employee signs this Supplemental Release. Employee acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Employee was already entitled. Employee further acknowledges that Employee has been advised by this writing that: (a) Employee should consult with an attorney prior to executing this Supplemental Release; (b) Employee has at least twenty-one (21) days within which to consider this Supplemental Release, as set forth herein; (c) Employee has seven (7) days following Employee's execution of this Supplemental Release to revoke this Supplemental Release; (d) this Supplemental Release shall not be effective until after the revocation period has expired; and (e) nothing in this Supplemental Release prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. Employee acknowledges and understands that revocation must be accomplished by a written notification to the person executing this Supplemental Release on the Company's behalf that is received prior to the Effective Date. The Parties agree that changes, whether material or immaterial, do not restart the running of the 21-day period.

8. California Civil Code Section 1542. Employee acknowledges that Employee has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Employee, being aware of said code section, agrees to expressly waive any rights Employee may have thereunder, as well as under any other statute or common law principles of similar effect.

9. No Pending or Future Lawsuits. Employee represents that Employee has no lawsuits, claims, or actions pending in Employee's name, or on behalf of any other person or entity, against the Company or any of the other Releasees. Employee also represents that Employee does not intend to bring any claims on Employee's own behalf or on behalf of any other person or entity against the Company or any of the other Releasees.

10. Nondisparagement. Employee agrees to refrain from any disparagement, defamation, libel, or slander of any of the Releasees, and agrees to refrain from any tortious interference with the contracts and relationships of any of the Releasees. Employee shall direct any inquiries by potential future employers to the Company's human resources department.

11. Confidentiality. Subject to the Protected Activity provision, Employee agrees to maintain in complete confidence the existence of this Supplemental Release, the contents and terms of this Supplemental Release, and the consideration for this Supplemental Release (hereinafter collectively referred to as "Separation Information"). Except as required by law, Employee may disclose Separation Information only to Employee's immediate family members, the Court in any proceedings to enforce the terms of this Supplemental Release, Employee's

attorney(s), and Employee's accountant(s) and any professional tax advisor(s) to the extent that they need to know the Separation Information in order to provide advice on tax treatment or to prepare tax returns, and must prevent disclosure of any Separation Information to all other third parties. Employee agrees that Employee will not publicize, directly or indirectly, any Separation Information.

Employee acknowledges and agrees that the confidentiality of the Separation Information is of the essence. The Parties agree that if the Company proves that Employee breached this Confidentiality provision, the Company shall be entitled to an award of its costs spent enforcing this provision, including all reasonable attorneys' fees associated with the enforcement action, without regard to whether the Company can establish actual damages from Employee's breach, except to the extent that such breach constitutes a legal action by Employee that directly pertains to the ADEA. Any such individual breach or disclosure shall not excuse Employee from Employee's obligations hereunder, nor permit Employee to make additional disclosures. Employee warrants that Employee has not disclosed, orally or in writing, directly or indirectly, any of the Separation Information to any unauthorized party

12. ARBITRATION. EXCEPT AS PROHIBITED BY LAW, THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THE AGREEMENT OR THIS SUPPLEMENTAL RELEASE, THEIR INTERPRETATION, EMPLOYEE'S EMPLOYMENT WITH THE COMPANY OR THE TERMS THEREOF, OR ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO ARBITRATION UNDER THE FEDERAL ARBITRATION ACT (THE "FAA") AND THAT THE FAA SHALL GOVERN AND APPLY TO THIS ARBITRATION AGREEMENT WITH FULL FORCE AND EFFECT; HOWEVER, WITHOUT LIMITING ANY PROVISIONS OF THE FAA, A MOTION OR PETITION OR ACTION TO COMPEL ARBITRATION MAY ALSO BE BROUGHT IN STATE COURT UNDER THE PROCEDURAL PROVISIONS OF SUCH STATE'S LAWS RELATING TO MOTIONS OR PETITIONS OR ACTIONS TO COMPEL ARBITRATION. EMPLOYEE AGREES THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, EMPLOYEE MAY BRING ANY SUCH ARBITRATION PROCEEDING ONLY IN EMPLOYEE'S INDIVIDUAL CAPACITY. ANY ARBITRATION WILL OCCUR IN SANTA CLARA COUNTY, CALIFORNIA, BEFORE JAMS, PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("JAMS RULES"), EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION. THE PARTIES AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION, AND MOTIONS TO DISMISS AND DEMURRERS, APPLYING THE STANDARDS SET FORTH UNDER THE CALIFORNIA CODE OF CIVIL PROCEDURE. THE PARTIES AGREE THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. THE PARTIES ALSO AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, AND THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, WHERE PERMITTED BY APPLICABLE LAW. THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO

HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THE AGREEMENT, THIS SUPPLEMENTAL RELEASE, AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS SECTION CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT IN THIS SECTION SHALL GOVERN.

13. Entire Agreement. This Supplemental Release represents the entire agreement and understanding between the Company and Employee concerning the subject matter of this Supplemental Release and Employee's employment with and separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Supplemental Release and Employee's relationship with the Company, with the exception of the Agreement, the Confidentiality Agreement, and the Stock Agreements, except as otherwise modified or superseded herein.

14. Effective Date. Employee has until February 2, 2022, to consider and sign this Supplemental Release, and Employee has seven (7) days to revoke this Supplemental Release after Employee executes this Supplemental Release. This Supplemental Release will become effective on the eighth (8th) day after Employee signed this Supplemental Release so long as it has been signed by Employee after the Separation Date and has not been revoked as permitted by this Section 14 (the "Effective Date").

15. Governing Law and Forum and Signing of Supplemental Release. This Supplemental Release shall be governed by the laws of the State of California, without regard for choice-of-law provisions, except that any dispute regarding the enforceability of the arbitration section of this Supplemental Release shall be governed by the FAA. Employee consents to personal and exclusive jurisdiction and venue in the State of California. This Supplemental Release may be executed in counterparts and each counterpart shall be deemed an original and all of which counterparts taken together shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned. The counterparts of this Supplemental Release may be executed and delivered by facsimile, photo, email PDF, or other electronic transmission or signature.

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IN WITNESS WHEREOF, the Parties have executed this Supplemental Release on the respective dates set forth below.

PAUL ANDREW APPLEBY, an individual

Dated: , 2022

Paul Andrew Appleby

ELASTICSEARCH, INC.

Dated: , 2022

Leah Sutton
SVP, Global HR

Exhibit 10.4

ELASTIC N.V.

Amended and Restated 2012 Stock Option Plan
(as amended December 9, 2021)

1. **Purposes of the Plan.** The purposes of this Amended and Restated 2012 Stock Option Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Employees and Consultants, and to promote the success of the Company's business. Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options, as determined by the Administrator at the time of grant of an Option and subject to the applicable provisions of Section 422 of the Code and the regulations promulgated thereunder. Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units and Performance Shares may also be granted under the Plan.

2. **Definitions.** As used herein, the following definitions shall apply:

   (a) **"Administrator"** means the Board or any of its Committees if authorized to administer the Plan, in accordance with Section 4 of the Plan.

   (b) **"Affiliate"** means (i) an entity other than a Subsidiary which, together with the Company, is under common control of a third person or entity and (ii) an entity other than a Subsidiary in which the Company and /or one or more Subsidiaries own a controlling interest.

   (c) **"Applicable Laws"** means all applicable laws, rules, regulations and requirements, including, but not limited to, all applicable U.S. federal and state corporate laws, U.S. federal and state securities laws, the Code, any Stock Exchange rules or regulations, and the applicable laws, rules or regulations of any other country or jurisdiction where Awards are granted under the Plan or Participants reside or provide services, as such laws, rules, and regulations shall be in effect from time to time.

   (d) **"Award"** means any award of an Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Units, Performance Units and Performance Shares under the Plan.

   (e) **"Award Agreement"** means an Option Agreement, Stock Appreciation Right Agreement, Restricted Stock Purchase Agreement, Restricted Stock Unit Agreement, Performance Share Agreement, or Performance Unit Agreement.

   (f) "**Board**" means the Board of Directors of the Company.

   (g) "**Board Rules**" means the regulations adopted by the Board governing its internal organization, the manner in which decisions are taken, the composition, the duties and organization of committees and any other matters concerning the Board.

   (h) **"Cashless Exercise"** means a program approved by the Administrator in which payment of the Option exercise price or tax withholding obligations or other required deductions may be satisfied, in whole or in part, with Shares subject to the Option, including by delivery of an irrevocable direction to a securities broker (on a form prescribed by the Company) to sell Shares and to deliver all or part of the sale proceeds to the Company in payment of such amount, provided that, unless specifically permitted by the Company, any such Cashless Exercise must be an approved broker-assisted Cashless Exercise or the Shares withheld in the Cashless Exercise must be limited to avoid financial accounting charges under applicable accounting guidance and any such surrendered Shares must have been previously held for any

minimum duration required to avoid financial accounting charges under applicable accounting guidance.

(i) **"Cause"** for termination of a Participant's Continuous Service Status will exist (unless another definition is provided in an applicable Award Agreement, employment agreement or other applicable written agreement) if the Participant's Continuous Service Status is terminated for any of the following reasons: (i) any material breach by Participant of any material written agreement between Participant and the Company and Participant's failure to cure such breach within 30 days after receiving written notice thereof; (ii) any failure by Participant to comply with the Company's material written policies or rules as they may be in effect from time to time; (iii) neglect or persistent unsatisfactory performance of Participant's duties and Participant's failure to cure such condition within 30 days after receiving written notice thereof; (iv) Participant's repeated failure to follow reasonable and lawful instructions from the Board or Chief Executive Officer and Participant's failure to cure such condition within 30 days after receiving written notice thereof; (v) Participant's conviction of, or plea of guilty or nolo contendre to, any felony or crime that results in, or is reasonably expected to result in, a material adverse effect on the business or reputation of the Company; (vi) Participant's commission of or participation in an act of fraud against the Company; (vii) Participant's intentional material damage to the Company's business, property or reputation; or (viii) Participant's unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company. For purposes of clarity, a termination without "Cause" does not include any termination that occurs as a result of Participant's death or Disability. The determination as to whether a Participant's Continuous Service Status has been terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company's ability to terminate a Participant's employment or consulting relationship at any time, and the term "Company" will be interpreted to include any Subsidiary, Parent, Affiliate, or any successor thereto, if appropriate.

(j) **"Change of Control"** means:

i. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the Shares in the capital of the Company of the Company that, together with the Shares in the capital of the Company held by such Person, constitutes more than 50% of the total voting power of the Shares in the capital of the Company; provided, however, that for purposes of this subsection, (A) the acquisition of additional Shares in the capital of the Company by any one Person, who is considered to own more than 50% of the total voting power of the Shares in the capital of the Company will not be considered a Change in Control, and (B) if the holders of Shares in the capital of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of Shares in the capital of the Company immediately prior to the change in ownership, the direct or indirect beneficial ownership of 50% or more of the total voting power of the Shares in the capital of the Company or the total voting power of shares in the capital of the ultimate Parent of the Company, such event will not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership will include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

ii. A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any 12-month period by members of the Board whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this subsection (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

iii. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the holders of the shares in the capital of the Company immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a holder of shares in the capital of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's shares in the capital, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding shares in the capital of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of shares in the capital of the Company, or similar capital reorganization or business combination transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A of the Code.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (x) its sole purpose is to change the state of the Company's incorporation, (y) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction, or (z) its sole purpose is to effect a private financing of the Company through a change in the ownership of the shares in the capital of the Company that is approved by the Board.

(k) **"Code"** means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(l) **"Committee"** means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board, or a duly authorized committee of the Board, in accordance with Section 4 below.

(m) **"Company"** means Elastic N.V., a Dutch public limited company (*naamloze vennootschap*).

(n) **"Consultant"** means any natural person, including an advisor or Director, engaged by the Company or a Parent, Affiliate, or Subsidiary to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital raising transaction, and (ii) do not directly promote or maintain a market for the Company's securities, in each case, within the meaning of Form S-8 promulgated under the Securities Act, and provided, further, that a Consultant will include only those persons to whom the issuance of Shares may be registered under Form S-8 promulgated under the Securities Act.

(o) **"Continuous Service Status"** means the absence of any interruption or termination of service as an Employee or Consultant. Continuous Service Status as an Employee or Consultant shall not be considered interrupted or terminated in the case of: (i) Company approved sick leave; (ii) military leave; (iii) any other bona fide leave of absence approved by the Company, provided that, if an Employee is holding an Incentive Stock Option and such leave exceeds 3 months, such Employee's service as an Employee shall be deemed terminated on the 1st day following such 3-month period and the Incentive Stock Option shall thereafter automatically become a Nonstatutory Stock Option in accordance with Applicable Laws, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to a written Company policy. Also, Continuous Service Status as an Employee or Consultant shall not be considered interrupted or terminated in the case of a transfer between locations of the Company or between the Company, its Parents, Subsidiaries or Affiliates, or their respective successors, or a change in status from an Employee to a Consultant or from a Consultant to an Employee.

(p) **"Director"** means a member of the Board.

(q) **"Disability"** means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(r) **"Employee"** means any person employed by the Company, or any Parent, Subsidiary or Affiliate, with the status of employment determined pursuant to such factors as are deemed appropriate by the Company in its sole discretion, subject to any requirements of Applicable Laws, including the Code. Neither service as a Director or the payment by the Company of a Director's fee shall be sufficient to constitute "employment" of such Director by the Company or any Parent, Subsidiary or Affiliate.

(s) **"Exchange Act"** means the Securities Exchange Act of 1934, as amended.

(t) "**Exchange Program**" means a program under which (i) outstanding Awards are surrendered or reacquired in exchange for awards of the same type (which may have higher or lower exercise prices and different terms), awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the exercise price of an

outstanding Award is increased or reduced. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(u) **"Fair Market Value"** means, as of any date, the value of Ordinary Shares determined as follows:

i. For purposes of any Awards granted on the Registration Date, the Fair Market Value will be the initial price to the public as set forth in the final prospectus included within the registration statement in Form S-1 filed with the Securities and Exchange Commission for the initial public offering of the Company's Ordinary Shares.

ii. For purposes of any Awards granted on any other date, the Fair Market Value will be the closing sales price for Ordinary Shares as quoted on any established Stock Exchange or national market system (including without limitation the New York Stock Exchange, NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of The NASDAQ Stock Market) on which the Ordinary Shares are listed on the date of determination (or the closing bid, if no sales were reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable. If the determination date for the Fair Market Value occurs on a non-trading day (i.e., a weekend or holiday), the Fair Market Value will be such price on the immediately preceding trading day, unless otherwise determined by the Administrator. In the absence of an established market for the Ordinary Shares, the Fair Market Value thereof will be determined in good faith by the Administrator.

The determination of Fair Market Value for purposes of tax withholding may be made in the Administrator's discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

(v) **"Family Members"** means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships) of the Participant, any person sharing the Participant's household (other than a tenant or employee), a trust in which these persons (or the Participant) have more than 50% of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than 50% of the voting interests.

(w) "**Fiscal Year**" means the fiscal year of the Company, as included in the articles of association of the Company.

(x) **"Incentive Stock Option"** means an Option intended to, and which does, in fact, qualify as an incentive stock option within the meaning of Section 422 of the Code.

(y) **"Involuntary Termination"** means (unless another definition is provided in the applicable Award Agreement, employment agreement or other applicable written agreement) the termination of a Participant's Continuous Service Status other than for (i) death, (ii) Disability or (iii) for Cause by the Company or a Parent, Subsidiary, Affiliate or successor thereto, as appropriate.

(z) "**Listed Security**" means any security of the Company that is listed or approved for listing on a national securities exchange or designated or approved for designation as a national market

system security on an interdealer quotation system by the Financial Industry Regulatory Authority (or any successor thereto).

(aa) **"Non-Executive Director"** means a Director appointed as non-executive director who is not an Employee.

(bb) **"Nonstatutory Stock Option"** means an Option that is not intended to, or does not, in fact, qualify as an Incentive Stock Option.

(cc) **"Option"** means an option to acquire Shares granted pursuant to the Plan.

(dd) **"Option Agreement"** means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of an Option granted under the Plan and includes any documents attached to or incorporated into such Option Agreement, including, but not limited to, a notice of stock option grant and a form of exercise notice.

(ee) **"Ordinary Shares"** means the Company's ordinary shares, par value €0.01 per share, as adjusted in accordance with Section 15 below.

(ff) **"Parent"** means any corporation (other than the Company), whether now or hereafter existing, in an unbroken chain of corporations ending with the Company if, at the time of grant of the Award, each of the corporations other than the Company owns shares in the capital of the Company possessing 50% or more of the total combined voting power of all classes of shares in the capital of the Company in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(gg) **"Participant"** means any holder of one or more Awards or Shares issued pursuant to an Award.

(hh) **"Performance Share"** means an Award denominated in Shares which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine pursuant to Section 11.

(ii) **"Performance Share Agreement"** means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of Performance Shares granted under the Plan and includes any documents attached to such agreement.

(jj) **"Performance Unit"** means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 11.

(kk) **"Performance Unit Agreement"** means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of Performance Units granted under the Plan and includes any documents attached to such agreement.

(ll) **"Plan"** means this Amended and Restated 2012 Stock Option Plan.

(mm) **"Registration Date"** means the effective date of the first registration statement that is filed by the Company and declared effective pursuant to Section 12(b) of the Exchange Act, with respect to any class of the Company's securities.

(nn) "**Remuneration Policy**" means the Remuneration Policy for Directors approved by the general meeting of the Company on September 28, 2018.

(oo) **"Restricted Stock"** means Shares acquired pursuant to a right to purchase or receive Ordinary Shares granted pursuant to Section 9 below.

(pp) **"Restricted Stock Purchase Agreement"** means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of Restricted Stock granted under the Plan and includes any documents attached to such agreement.

(qq) **"Restricted Stock Unit"** means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 10. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(rr) **"Restricted Stock Unit Agreement"** means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of Restricted Stock Units granted under the Plan and includes any documents attached to such agreement.

(ss) **"Rule 16b-3"** means Rule 16b-3 promulgated under the Exchange Act, as amended from time to time, or any successor provision.

(tt) **"Section 16(b)"** means Section 16(b) of the Exchange Act.

(uu) **"Section 409A"** means Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

(vv) **"Securities Act"** means the Securities Act of 1933, as amended.

(ww) **"Share"** means a share of the Ordinary Shares, as adjusted in accordance with Section 15 below.

(xx) **"Stock Appreciation Right"** means an Award, granted alone or in connection with an Option, that pursuant to Section 8 is designated as a Stock Appreciation Right.

(yy) **"Stock Appreciation Right Agreement"** means a written document, the form(s) of which shall be approved from time to time by the Administrator, reflecting the terms of Stock Appreciation Rights granted under the Plan and includes any documents attached to such agreement.

(zz) **"Stock Exchange"** means any stock exchange or consolidated stock price reporting system on which prices for the Ordinary Shares are quoted at any given time.

(aaa) **"Subsidiary"** means any corporation (other than the Company), whether now or hereafter existing, in an unbroken chain of corporations beginning with the Company if, at the time of grant of the Award, each of the corporations other than the last corporation in the

unbroken chain owns shares in the capital of the Company possessing 50% or more of the total combined voting power of all classes of shares in the capital of the Company in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

(bbb) **"Ten Percent Holder"** means a person who owns shares in the capital of the Company representing more than 10% of the voting power of Shares in the capital of the Company or of all classes of shares in the capital of any Parent or Subsidiary measured as of an Award's date of grant.

3. **Ordinary Shares Subject to the Plan.**

(a) **Ordinary Shares Subject to the Plan**. Subject to the provisions of Section 15 below, the maximum aggregate number of Shares that may be issued under the Plan is 39,685,602 Shares, all of which Shares may be issued under the Plan pursuant to Incentive Stock Options and under the condition that the Company's authorized capital provides for such issue of Shares. The Shares issued under the Plan may be authorized, but unissued, or reacquired Shares.

(b) **Automatic Share Reserve Increase**. Subject to the provisions of Section 15 of the Plan, the number of Shares available for issuance under the Plan will be increased on the first day of each Fiscal Year beginning with the 2020 Fiscal Year, in an amount equal to the lesser of (i) 9 million Shares, (ii) 5% of the outstanding Shares on the last day of the immediately preceding Fiscal Year or (iii) such number of Shares determined by the Board.

(c) **Lapsed Awards**. If an Award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an Exchange Program, or, with respect to Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares, is reacquired or repurchased by the Company due to failure to vest, the unpurchased Shares (or for Awards other than Options or Stock Appreciation Rights the reacquired or repurchased Shares), which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). With respect to Stock Appreciation Rights, only Shares actually issued (i.e., the net Shares issued) pursuant to a Stock Appreciation Right will cease to be available under the Plan; all remaining Shares under Stock Appreciation Rights will remain available for future grant or sale under the Plan (unless the Plan has terminated). Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units are repurchased by the Company or are forfeited to or canceled by the Company, such Shares will become available for future grant under the Plan. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Notwithstanding the foregoing and, subject to adjustment as provided in Section 15, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a), plus, to the extent allowable under Section 422 of the Code and the Treasury Regulations promulgated thereunder, any Shares that become available for issuance under the Plan pursuant to Sections 3(b) and 3(c).

(d) **Share Reserve**. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. **Administration of the Plan.**

(a) **Procedure.**

i. **General.** The Plan shall be administered by the Board. The Plan may be administered by different Committees with respect to different classes of Participants, and, if permitted by Applicable Laws, the Board may authorize a Committee comprised of one or more officers of the Company to make Awards under the Plan to Employees and Consultants (who are not subject to Section 16 of the Exchange Act) within parameters specified by the Board.

ii. **Committee Composition.** If a Committee has been appointed pursuant to this Section 4, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board. From time to time the Board may increase the size of any Committee and appoint additional members thereof, remove members (with or without cause) and appoint new members in substitution therefor, fill vacancies (however caused) and dissolve a Committee and thereafter directly administer the Plan, all to the extent permitted by Applicable Laws and, in the case of a Committee administering the Plan in accordance with the requirements of Rule 16b3 of the Code, to the extent permitted or required by such provisions.

iii. Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(b) **Powers of the Administrator.** Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator shall have the authority, in its sole discretion:

i. to determine the Fair Market Value in accordance with Section 2(u) above, provided that such determination shall be applied consistently with respect to Participants under the Plan;

ii. to select the Employees and Consultants to whom Awards may from time to time be granted, in the case of granting Awards to Directors with due observance of the Board Rules and Applicable Laws on conflict of interest and the Remuneration Policy;

iii. to determine the number of Shares to be covered by each Award;

iv. to approve the form(s) of agreement(s) and other related documents used under the Plan;

v. to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder, which terms and conditions include but are not limited to the exercise or purchase price, the time or times when Awards may vest and/or be exercised (which may be based on performance criteria), the circumstances (if any) when vesting will be accelerated or cancellation restrictions will be waived, and any restriction or limitation regarding any Award or Shares that are covered by an Award;

vi. to amend any outstanding Award or agreement related to any Shares covered by an Award, including any amendment adjusting vesting (e.g., in connection with a change in the terms or conditions under which such person is providing services to the

Company), provided that no amendment shall be made that would materially and adversely affect the rights of any Participant without his or her consent;

vii. to determine whether and under what circumstances an Award may be settled in cash instead of Ordinary Shares, subject to Applicable Laws;

viii. subject to Applicable Laws, to implement an Exchange Program and establish the terms and conditions of such Exchange Program without consent of the holders of shares in the capital of the Company, provided that no amendment or adjustment to an Option that would materially and adversely affect the rights of any Participant shall be made without his or her consent;

ix. to approve addenda pursuant to Section 21 below or to grant Awards to, or to modify the terms of, any outstanding Award Agreement or any agreement related to any Shares covered by an Award held by Participants who are foreign nationals or employed outside of the United States with such terms and conditions as the Administrator deems necessary or appropriate to accommodate differences in local law, tax policy or custom which deviate from the terms and conditions set forth in this Plan to the extent necessary or appropriate to accommodate such differences;

x. to construe and interpret the terms of the Plan, any Award Agreement and any agreement related to any Shares covered by an Award, which constructions, interpretations and decisions shall be final and binding on all Participants;

xi. to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

xii. to allow Participants to satisfy tax withholding obligations in such manner as prescribed in Section 13; and

xiii. to make all other determinations deemed necessary or advisable for administering the Plan.

(c) **Effect of Administrator's Decision**. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders.

(d) **Indemnification.** To the maximum extent permitted by Applicable Laws, each member of the Board, as applicable, shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or pursuant to the terms and conditions of any Award except for actions taken in bad faith or failures to act in bad faith, and (ii) any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided that such member shall give the Company an opportunity, at its own expense, to handle and defend any such claim, action, suit or proceeding before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Association, Board Rules, by contract, as a matter of law, or otherwise, or under any other power that the Company may have to indemnify or hold harmless each such person.

5. **Eligibility.**

(a) **Recipients of Grants.** Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units may be granted to Employees and Consultants. Incentive Stock Options may be granted only to Employees, provided that Employees of Affiliates shall not be eligible to receive Incentive Stock Options.

(b) **No Employment Rights.** Neither the Plan nor any Award shall confer upon any Employee or Consultant any right with respect to continuation of an employment or consulting relationship with the Company (any Parent, Subsidiary or Affiliate), nor shall it interfere in any way with such Employee's or Consultant's right or the Company's (Parent's, Subsidiary's or Affiliate's) right to terminate his or her employment or consulting relationship at any time, with or without cause.

6. **Term of Plan.** Subject to Section 23 of the Plan, the Plan will become effective upon the later to occur of (i) its adoption by the Board or (ii) the business day immediately prior to the Registration Date. It will continue in effect for a term of ten (10) years from the date it becomes effective, unless terminated earlier under Section 17 of the Plan.

7. **Options.**

(a) **Term of Option.** The term of each Option shall be the term stated in the Option Agreement; provided that the term shall be no more than 10 years from the date of grant thereof or such shorter term as may be provided in the Option Agreement and provided further that, in the case of an Incentive Stock Option granted to a person who at the time of such grant is a Ten Percent Holder, the term of the Option shall be 5 years from the date of grant thereof or such shorter term as may be provided in the Option Agreement.

(b) **Type of Option.**

i. Each Option shall be designated in the Option Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option.

ii. Notwithstanding any designation under Section 7(b)(i) above, to the extent that the aggregate Fair Market Value of Shares with respect to which Options designated as Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company or any Parent or Subsidiary) exceeds $100,000, such excess Options shall be treated as Nonstatutory Stock Options. For purposes of this Section 7(b), Incentive Stock Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares subject to an Incentive Stock Option shall be determined as of the date of the grant of such Option.

(c) **Option Exercise Price and Consideration.**

i. **Exercise Price.** The per Share exercise price for the Shares to be issued pursuant to the exercise of an Option shall be such price as is determined by the Administrator and set forth in the Option Agreement, but shall be subject to the following:

(1) In the case of an Incentive Stock Option

a. granted to an Employee who at the time of grant is a Ten Percent Holder, the per Share exercise price shall be no less than 110% of the Fair Market Value on the date of grant;

b. granted to any other Employee, the per Share exercise price shall be no less than 100% of the Fair Market Value on the date of grant;

(2) Except as provided in subsection (3) below, in the case of a Nonstatutory Stock Option the per Share exercise price shall be such price as is determined by the Administrator, provided that, if the per Share exercise price is less than 100% of the Fair Market Value on the date of grant, it shall otherwise comply with all Applicable Laws, including Section 409A; and

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price other than as required above pursuant to a merger or other corporate transaction.

ii. **Permissible Consideration.** The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option and to the extent required by Applicable Laws, shall be determined at the time of grant) and may consist entirely of (1) cash; (2) check; (3) to the extent permitted under, and in accordance with, Applicable Laws, delivery of a promissory note with such recourse, interest, security and redemption provisions as the Administrator determines to be appropriate (subject to the provisions of Section 152 of the General Corporation Law); (4) cancellation of indebtedness; (5) other previously owned Shares that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which the Option is exercised; (6) a Cashless Exercise; (7) such other consideration and method of payment permitted under Applicable Laws; or (8) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator shall consider if acceptance of such consideration may be reasonably expected to benefit the Company and the Administrator may, in its sole discretion, refuse to accept a particular form of consideration at the time of any Option exercise.

(d) **Exercise of Option.**

i. **General.**

(1) **Exercisability.** Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator, consistent with the terms of the Plan and reflected in the Option Agreement, including vesting requirements and/or performance criteria with respect to the Company, and Parent, Subsidiary or Affiliate, and/or the Participant.

(2) **Leave of Absence.** The Administrator shall have the discretion to determine whether and to what extent the vesting of Options shall be tolled during any leave of absence; provided, however, that in the absence of such determination, vesting of Options shall be tolled during any leave (unless otherwise required by Applicable Laws). Notwithstanding the foregoing, in the event of military leave, vesting shall toll during any unpaid portion of such leave, provided that, upon a Participant's returning from military leave

(under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Options to the same extent as would have applied had the Participant continued to provide services to the Company (or any Parent, Subsidiary or Affiliate, if applicable) throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(3) **Minimum Exercise Requirements.** An Option may not be exercised for a fraction of a Share. The Administrator may require that an Option be exercised as to a minimum number of Shares, provided that such requirement shall not prevent a Participant from exercising the full number of Shares as to which the Option is then exercisable.

(4) **Procedures for and Results of Exercise.** An Option shall be deemed exercised when written notice of such exercise has been received by the Company in accordance with the terms of the Option Agreement by the person entitled to exercise the Option and the Company has received full payment for the Shares with respect to which the Option is exercised and has paid, or made arrangements to satisfy, any applicable taxes, withholding, required deductions or other required payments in accordance with Section 13 below. The exercise of an Option shall result in a decrease in the number of Shares that thereafter may be available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(5) **Rights as Holder of Shares in the Capital of the Company.** Until the effective issuance of the Shares (including by way of a transfer of treasury shares), no right to vote or receive dividends or any other rights as a holder of shares in the capital of the Company shall exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date ownership is recorded in the Company's shareholder register, except as provided in Section 15 below.

ii. **Termination of Continuous Service Status.** The Administrator shall establish and set forth in the applicable Option Agreement the terms and conditions upon which an Option shall remain exercisable, if at all, following termination of a Participant's Continuous Service Status, which provisions may be waived or modified by the Administrator at any time. To the extent that an Option Agreement does not specify the terms and conditions upon which an Option shall terminate upon termination of a Participant's Continuous Service Status, the following provisions shall apply:

(1) **General Provisions.** If the Participant (or other person entitled to exercise the Option) does not exercise the Option to the extent so entitled within the time specified below, the Option shall terminate and the Shares subject to the Option underlying the unexercised portion of the Option shall revert to the Plan. In no event may any Option be exercised after the expiration of the Option term as set forth in the Option Agreement (and subject to this Section 7).

(2) **Termination other than Upon Disability or Death or for Cause.** In the event of termination of a Participant's Continuous Service Status other than

under the circumstances set forth in the subsections (3) through (5) below, such Participant may exercise any outstanding Option at any time within 3 month(s) following such termination to the extent the Participant is vested in the Shares subject to the Option.

(3) **Disability of Participant.** In the event of termination of a Participant's Continuous Service Status as a result of his or her Disability, such Participant may exercise any outstanding Option at any time within 12 month(s) following such termination to the extent the Participant is vested in the Shares subject to the Option.

(4) **Death of Participant.** In the event of the death of a Participant during the period of Continuous Service Status since the date of grant of any outstanding Option, or within 3 month(s) following termination of the Participant's Continuous Service Status, the Option may be exercised by any beneficiaries designated in accordance with Section 19 below, or if there are no such beneficiaries, by the Participant's estate, or by a person who acquired the right to exercise the Option by bequest or inheritance, at any time within 12 month(s) following the date the Participant's Continuous Service Status terminated, but only to the extent the Participant is vested in the Shares subject to the Option.

(5) **Termination for Cause.** In the event of termination of a Participant's Continuous Service Status for Cause, any outstanding Option (including any vested portion thereof) held by such Participant shall immediately terminate in its entirety upon first notification to the Participant of termination of the Participant's Continuous Service Status for Cause. If a Participant's Continuous Service Status is suspended pending an investigation of whether the Participant's Continuous Service Status will be terminated for Cause, all the Participant's rights under any Option, including the right to exercise the Option, shall be suspended during the investigation period. Nothing in this Section 7(d)(ii)(5) shall in any way limit the Company's right to purchase unvested Shares issued upon exercise of an Option as set forth in the applicable Option Agreement.

(6) **Tolling Expiration**. A Participant's Option Agreement may also provide that:

a. if the exercise of the Option following the termination of Participant's Continuous Service Status (other than upon the Participant's death or Disability) would result in liability under Section 16(b), then the Option will terminate on the earlier of (A) the expiration of the term of the Option set forth in the Option Agreement, or (B) the tenth (10th) day after the last date on which such exercise would result in liability under Section 16(b); or

b. if the exercise of the Option following the termination of the Participant's Continuous Service Status (other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of Shares would violate the registration requirements under the Securities Act, then the Option will terminate on the earlier of (A) the expiration of the term of the Option or (B)

the expiration of a period of thirty (30)-day period after the termination of the Participant's Continuous Service Status during which the exercise of the Option would not be in violation of such registration requirements.

8. **Stock Appreciation Rights**

(a) **Grant of Stock Appreciation Rights**. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) **Number of Shares**. The Administrator will have complete discretion to determine the number of Shares subject to any Stock Appreciation Right.

(c) **Exercise Price and Other Terms**. The per Share exercise price for the Shares that will determine the amount of the payment to be received upon exercise of a Stock Appreciation Right as set forth in Section 8(f) will be determined by the Administrator and will be no less than 100% of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

(d) **Stock Appreciation Right Agreement**. Each Stock Appreciation Right will be evidenced by a Stock Appreciation Right Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) **Expiration of Stock Appreciation Rights**. A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Stock Appreciation Right Agreement. Notwithstanding the foregoing, the rules of Section 7(a) relating to the maximum term and Section 7(d) relating to exercise also will apply to Stock Appreciation Rights.

(f) **Payment of Stock Appreciation Right Amount**. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

i. The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

ii. The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

9. **Restricted Stock.**

(a) **Rights to Purchase.** When a right to purchase or receive Restricted Stock is granted under the Plan, the Company shall advise the recipient in writing of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid, if any (which shall be as determined by the Administrator, subject to Applicable Laws, including any applicable securities laws), and the time within

which such person must accept such offer. The permissible consideration for Restricted Stock shall be determined by the Administrator and shall be the same as is set forth in Section 7(c)(ii) above with respect to exercise of Options. The offer to purchase Shares shall be accepted by execution of a Restricted Stock Purchase Agreement in the form determined by the Administrator.

(b) **Repurchase Option.**

i. **General.** Unless the Administrator determines otherwise, the Restricted Stock Purchase Agreement shall grant the Company a repurchase option exercisable upon the voluntary or involuntary termination of the Participant's Continuous Service Status for any reason (including death or Disability) at a purchase price for Shares equal to the original purchase price paid by the purchaser to the Company for such Shares and may be paid by cancellation of any indebtedness of the purchaser to the Company. The repurchase option shall lapse at such rate or pursuant to such vesting criteria as the Administrator may determine.

ii. **Leave of Absence.** The Administrator shall have the discretion to determine whether and to what extent the lapsing of Company repurchase rights shall be tolled during any leave of absence; provided, however, that in the absence of such determination, such lapsing shall be tolled during any leave (unless otherwise required by Applicable Laws). Notwithstanding the foregoing, in the event of military leave, the lapsing of Company repurchase rights shall toll during any unpaid portion of such leave, provided that, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Shares purchased pursuant to the Restricted Stock Purchase Agreement to the same extent as would have applied had the Participant continued to provide services to the Company (or any Parent, Subsidiary or Affiliate, if applicable) throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

(c) **Other Provisions.** The Restricted Stock Purchase Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion. In addition, the provisions of Restricted Stock Purchase Agreements need not be the same with respect to each Participant.

(d) **Rights as a Holder of Shares in the Capital of the Company.** Once the Restricted Stock is purchased, the Participant shall have the rights equivalent to those of a holder of shares in the capital of the Company, and shall be a record holder when his or her purchase and the issuance of the Shares is entered upon the records of the duly authorized transfer agent of the Company. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Restricted Stock is purchased, except as provided in Section 15 below.

10. **Restricted Stock Units**

(a) **Grant**. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units, it will advise the Participant in a Restricted Stock Unit Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) **Vesting Criteria and Other Terms**. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the Administrator in its discretion.

(c) **Earning Restricted Stock Units**. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) **Form and Timing of Payment**. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) determined by the Administrator and set forth in the Restricted Stock Unit Agreement. The Administrator, in its sole discretion, may settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(e) **Cancellation**. On the date set forth in the Restricted Stock Unit Agreement, all unearned Restricted Stock Units will be reacquired by the Company.

(f) **Leave of Absence**. The Administrator shall have the discretion to determine whether and to what extent the vesting of Restricted Stock Units shall be tolled during any leave of absence; provided, however, that in the absence of such determination, such vesting shall be tolled during any leave (unless otherwise required by Applicable Laws). Notwithstanding the foregoing, in the event of military leave, the vesting of Restricted Stock Units shall toll during any unpaid portion of such leave, provided that, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Restricted Stock Units to the same extent as would have applied had the Participant continued to provide services to the Company (or any Parent, Subsidiary or Affiliate, if applicable) throughout the leave on the same terms as he or she was providing services immediately prior to such leave.

11. **Performance Units and Performance Shares**.

(a) **Grant of Performance Units/Shares**. Performance Units and Performance Shares may be granted to Employees or Consultants at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units and Performance Shares granted to each Participant.

(b) **Value of Performance Units/Shares**. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) **Performance Objectives and Other Terms**. The Administrator will set performance objectives or other vesting provisions (including, without limitation, Continuing Service Status) in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units/Shares that will be paid out to the Participant. The time period during which the performance objectives or other vesting provisions must be met will be called the "Performance Period." Each Award of Performance Units/Shares will be evidenced by a Performance Unit Agreement or Performance Share Agreement, as applicable,

that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, business unit or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws, or any other basis determined by the Administrator in its discretion.

(d) **Earning of Performance Units/Shares**. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) **Form and Timing of Payment of Performance Units/Shares**. Payment of earned Performance Units/Shares will be made as soon as practicable after the expiration of the applicable Performance Period. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(f) **Cancellation of Performance Units/Shares**. On the date set forth in the Performance Unit Agreement or Performance Share Agreement, all unearned or unvested Performance Units/Shares will be reacquired by the Company, and again will be available for grant under the Plan.

12. **Non-Executive Director Limitations**. All Awards under the Plan granted to Non-Executive Directors will be subject to the limitations of the Remuneration Policy.

13. **Taxes.**

(a) As a condition of the grant, vesting and exercise of an Award, and prior to the delivery of Shares or cash pursuant to an Award, the Company will have the power and right to deduct or withhold, or require Participant (or in the case of the Participant's death or a permitted transferee, the person holding or exercising the Award) to remit to the Company, an amount sufficient to satisfy U.S. federal, state or local taxes, non-U.S. taxes, or other taxes (including social security contributions and social security premiums and Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof). The Company shall not be required to issue any Shares or other consideration under the Plan until such obligations are satisfied.

(b) The Administrator may, to the extent permitted under Applicable Laws, permit a Participant (or in the case of the Participant's death or a permitted transferee, the person holding or exercising the Award) to satisfy all or part of his or her tax and social security contributions and social security premiums,, withholding, or any other required deductions or payments by (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a fair market value not in excess of the maximum statutory amount required to be withheld (including through a Cashless Exercise), or (iii) delivering to the Company already-owned Shares having a Fair Market Value not in excess of the maximum statutory amount required to be withheld. Any payment of taxes, social security contributions and social security premiums by surrendering Shares to the Company may be subject to restrictions,

including, but not limited to, any restrictions required by rules of the Securities and Exchange Commission.

(c) Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A. In no event will the Company (or any Parent, Subsidiary, or Affiliate of the Company, as applicable) reimburse a Participant for any taxes imposed or other costs incurred as a result of Section 409A.

14. **Non-Transferability of Awards.**

(a) **General.** Unless determined otherwise by the Administrator, Awards may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution. The designation of a beneficiary by a Participant will not constitute a transfer. An Option may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate.

15. **Adjustments Upon Changes in Capitalization, Merger or Certain Other Transactions.**

(a) **Changes in Capitalization.** Subject to any action required under Applicable Laws by the holders of shares in the capital of the Company, (i) the numbers and class of Shares or other shares in the capital of the Company or securities: (x) available for future Awards under Section 3 above and (y) covered by each outstanding Award, (ii) the exercise price per Share of each such outstanding Option or Stock Appreciation Right, and (iii) any repurchase price per Share applicable to Shares issued pursuant to any Award, shall, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, be adjusted by the Administrator in the event of a stock split, reverse stock split, dividend or other distribution (whether in the form of cash, Shares, securities, or other property), recapitalization, reorganization, merger, split-up, spin-off, combination, consolidation, reclassification of the Shares or subdivision of the Shares or other securities of the Company, repurchase or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares. Any such adjustment by the Administrator shall be made in the Administrator's sole and absolute discretion and shall be final, binding on the shares of capital of the Company of any class, or securities convertible into shares of in the capital of the Company of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to an Award. If, by reason of a transaction described in this Section 15(a) or an adjustment pursuant to this Section 15(a), a Participant's Award Agreement or agreement related to any Shares covered by an Award covers additional or different shares in the capital of the Company or securities, then such additional or different shares, and the Award Agreement or agreement related to the Shares covered by an Award in respect thereof, shall be subject to all of the terms, conditions and restrictions which were applicable to the Award or Shares covered by the Award prior to such adjustment.

(b) **Dissolution or Liquidation.** In the event of the dissolution or liquidation of the Company, each Award, to the extent it has not been previously exercised, will terminate immediately prior to the consummation of such action, unless otherwise determined by the Administrator. The Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction.

(c) **Corporate Transactions.** In the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding Award (vested or unvested) will be treated as the Administrator determines (subject to the restriction in the following paragraph), which determination may be made without the consent of any Participant and need not treat all outstanding Awards (or portion thereof) in an identical manner, including, without limitation, that each Award be assumed or an equivalent option or right substituted by the successor corporation or a Parent or Subsidiary of the successor corporation.

If any Award, or any agreement applicable to any Award, provides for accelerated vesting in connection with any termination of Continuous Service Status that occurs on or after a Change in Control, and the successor does not agree to assume the Award, or to substitute an equivalent award or right for the Award, then any acceleration of vesting that would otherwise occur upon such termination of Continuous Service Status shall occur immediately prior to, and contingent upon, the consummation of such Change in Control.

In the event that the successor corporation does not assume or substitute for the Award (or portion thereof), the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock, Restricted Stock Units, Performance Units and Performance Shares will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met, in all cases, unless specifically provided otherwise under the applicable Award Agreement or other written agreement between the Participant and the Company or any of its Subsidiaries or Parents, as applicable. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a merger or Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether shares in the capital of the Company, cash, or other securities or property) received in the Change in Control by holders of Ordinary Shares for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely ordinary shares of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Unit or Performance Share, for each Share subject to such Award, to be solely ordinary shares of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Ordinary Shares in the Change in Control.

Notwithstanding anything in this Section 15(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

(d) **Non-Executive Director Awards**. With respect to Awards granted to an Non-Executive Director, in the event of a Change in Control, then the Participant will fully vest in and have the right to exercise Options and/or Stock Appreciation Rights as to all of the Shares underlying such Award, including those Shares which would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, unless specifically provided otherwise under the applicable Award Agreement, a Company policy applicable to the Participant, or other written agreement between the Participant and the Company, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met.

16. **Time of Granting Awards.** The date of grant of an Award shall, for all purposes, be the date on which the Board makes the determination granting such Award, or such other date as is determined by the Administrator.

17. **Amendment and Termination of the Plan.** The Board may at any time amend or terminate the Plan, but no amendment or termination shall be made that would materially and adversely affect the rights of any Participant under any outstanding Award, without his or her consent. In addition, to the extent necessary and desirable to comply with Applicable Laws, the Company shall obtain the approval of holders of shares in the capital of the Company with respect to any Plan amendment in such a manner and to such a degree as required.

18. **Conditions Upon Issuance of Shares.** Notwithstanding any other provision of the Plan or any agreement entered into by the Company pursuant to the Plan, the Company shall not be obligated, and shall have no liability for failure, to issue or deliver any Shares under the Plan unless such issuance or delivery would comply with Applicable Laws, with such compliance determined by the Company in consultation with its legal counsel. As a condition to the exercise of any Option or Stock Appreciation Right or purchase or receipt of any Restricted Stock or Restricted Stock Units, the Company may require the person exercising, purchasing or receiving the applicable Award to represent and warrant at the time of any such exercise, purchase or receipt that the Shares subject to the Award are being exercised, purchased or received only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is advisable or required by Applicable Laws. Shares issued in connection with an Award prior to the date, if ever, on which the Ordinary Shares becomes a Listed Security shall be subject to a right of first refusal in favor of the Company pursuant to which the Participant will be required to offer Shares to the Company before selling or transferring them to any third party on such terms and subject to such conditions as is reflected in the applicable Award Agreement.

19. **Beneficiaries.** Participant may designate one or more beneficiaries with respect to an Award by timely filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Participant's death. Except as otherwise provided in an Award Agreement, if no beneficiary was designated or if no designated beneficiary survives the Participant, then after a Participant's death any vested Award(s) shall be transferred or distributed to the Participant's estate or to any person who has the right to acquire the Award by bequest or inheritance.

20. **Approval of Holders of Shares in the Capital of the Company.** If required by Applicable Laws, continuance of the Plan shall be subject to approval by the holders of shares in the capital of the Company at the general meeting of the Company within 12 months before or after the date the Plan is adopted or, to the extent required by Applicable Laws, any date the Plan is amended. Such approval shall be obtained in the manner and to the degree required under Applicable Laws.

21. **Addenda.** The Administrator may approve such addenda to the Plan as it may consider necessary or appropriate for the purpose of granting Awards to Employees or Consultants, which Awards may contain such terms and conditions as the Administrator deems necessary or appropriate to accommodate differences in local law, tax policy or custom, which may deviate from the terms and conditions set forth in this Plan. The terms of any such addenda shall supersede the terms of the Plan to the extent necessary to accommodate such differences but shall not otherwise affect the terms of the Plan as in effect for any other purpose.

22. **Approval of the Holders of Shares in the Capital of the Company**. The Plan will be subject to approval by the holders of the shares in the capital of the Company at the general meeting of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such approval of the holders of shares in the capital of the Company will be obtained in the manner and to the degree required under Applicable Laws.

23. **Clawback**. The Administrator may specify in an Award Agreement that the Participant's rights, payments, and/or benefits with respect to an Award will be subject to reduction, cancellation, reacquisition, and/or recoupment upon the occurrence of certain specified events, in addition to any applicable vesting, performance or other conditions and restrictions of an Award. Notwithstanding any provisions to the contrary under this Plan, an Award granted under the Plan shall be subject to the Company's clawback policy (if any) as may be established and/or amended from time to time. The Board may require a Participant to cancel or return to and/or reimburse the Company all or a portion of the Award and/or Shares issued under the Award, any amounts paid under the Award, and any payments or proceeds paid or provided upon disposition of the Shares issued under the Award, pursuant to the terms of such Company policy or as necessary or appropriate to comply with Applicable Laws.

24. **Death Acceleration**. Upon a Participant's death, Participant's outstanding and unvested Awards will accelerate and fully vest; provided that the aggregate Fair Market Value of the Shares covered by Awards that may accelerate and fully vest pursuant to this Section 24 and the shares and other securities covered by Company equity awards issued under other equity plans and arrangements (collectively, the "Eligible Awards") that may accelerate and vest pursuant to comparable provisions in such other equity plans and arrangements may not exceed $1,000,000 in the aggregate, as measured on the date of Participant's death (the "Death Acceleration Limit"). The order in which Eligible Awards will accelerate and vest up to the Death Acceleration Limit will be determined as follows: (a) Eligible Awards will accelerate and apply toward the Death Acceleration Limit based on their class in the following order: (1) Restricted Stock, (2) Restricted Stock Units, and (3) Options and Stock Appreciation Rights, and (b) with respect to Eligible Awards of the same class, awards with an earlier date of grant will accelerate and apply toward the Death Acceleration Limit prior to Eligible Awards with a later date of grant. If two or more Eligible Awards of the same class are granted on the same date, each Eligible Award will accelerate and vest on a pro-rata basis. For the avoidance of doubt, the acceleration described in this Section 24 does not apply to any Eligible Awards with performance-based vesting. Notwithstanding anything in this Section 24 to the contrary, in the event a Participant's death results from a suicide, the acceleration and vesting described in this Section 24 will be solely at the Company's discretion and will not occur automatically.

ADDENDUM A

AMENDED AND RESTATED 2012 STOCK OPTION PLAN
UK COMPANY SHARE OPTION PLAN (CSOP) (THE "PLAN")
ADOPTED BY THE BOARD OF ELASTIC N.V ON SEPTEMBER 18, 2018

(A) This Plan forms part of the Elastic N.V. Amended and Restated 2012 Stock Option Plan including, without limitation Section 3 (Stock Subject to the Plan).

(B) The purpose of this scheme is to provide benefits to employees and directors in the form of share options, in accordance with Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003.

(C) In this Plan the words and expressions defined herein shall have the same meaning when used in the Plan and the provisions of the Elastic N.V. Amended and Restated 2012 Stock Option Plan shall apply to the provisions of the Plan except where expressly varied herein.

(D) Notwithstanding anything in the Plan or any Option Agreement, no variation may be made to the terms of an outstanding Option other than as follows:

(i) any variation to the Exercise Price must be carried out in accordance with paragraph 22 of Schedule 4;

(ii) any variation to the number or description of shares subject to the Option must be carried out in accordance with paragraph 22 of Schedule 4 or with the prior written consent of the relevant UK Participant;

(iii) any variation to the restrictions applicable to shares subject to Option must be carried out in accordance with paragraph 22 of Schedule 4 or as a result of amendments to such restrictions generally approved by the Company's shareholders;

(iv) any variation to the times at which the Option may be exercised, in whole or in part, must be carried out in accordance with paragraph 22 of Schedule 4 or with the prior written consent of the relevant UK Participant;

(v) any variation to the circumstances under which the Option will lapse must be carried out in accordance with paragraph 22 of Schedule 4 or with the prior written consent of the relevant UK Participant;

(E) The mechanisms described in paragraph (D) above in connection with certain changes to the terms of outstanding Options must be applied in a way that is fair and reasonable.

(F) Notwithstanding anything in the Plan or any Option Agreement, no variations whatsoever may be made to any outstanding Options where this would result in the requirements of the paragraphs of Schedule 4 to the Act no longer being met.

(G) Restricted Stock may not be provided under the Plan. All provisions relating to Restricted Stock in the Elastic N.V. Amended and Restated 2012 Stock Option Plan shall not apply to the Plan.

(H) For the purposes of the Plan, the following terms shall have the following meanings:

"Act"	the Income Tax (Earnings and Pensions) Act 2003;
"Appropriate Period"	the relevant period as specified in paragraph 26(3) of Schedule 4;
"Associated Company"	an associated company of the Company within the meaning that expression bears in paragraph 35 of Schedule 4;

“Control”	the meaning given by section 719 of the Act;
“Date of Grant”	the date on which an Option is, was or is to be granted under the Plan;
“Eligible Employee”	any individual who at the Date of Grant is a director (who is required to work at least 25 hours a week exclusive of meal breaks) or an employee of a Participating Company;
"Exercise Price"	the price per Share, as determined by the Administrator, at which an Eligible Employee may acquire Shares upon the exercise of an Option being not less than the Market Value of a Share: (1) subject to (2) below, on the day the Date of Grant; or (2) if the Administrator so determines, at such earlier time or times as the Administrator may determine (with previous agreement in writing of HMRC); but subject to any adjustment pursuant to Section 12(a) as applied in this Plan;
“HMRC”	HM Revenue & Customs;
"Individual Approved Limit”	the limit specified from time to time in paragraph 6 of Schedule 4;
"London Stock Exchange”	the London Stock Exchange plc or any successor company or body carrying on the business of the London Stock Exchange plc;
"Market Value"	in relation to a Share on any day: (1) if so long as the Shares are traded on NASDAQ, its last reported sale price and agreed for the purposes of this Plan with the Shares & Assets Valuation of HMRC on or before that day; or (2) if and so long as the Shares are listed on the London Stock Exchange or the New York Stock Exchange, its middle market quotation; or (3) subject to (1) and (2) above, its market value, determined in accordance with Part 8 of the Taxation and Chargeable Gains Act 1992 and agreed for the purposes of this Plan with the Shares & Assets Valuation of HMRC on or before that day;
"Option"	the right to acquire Shares granted in accordance with and subject to the rules of the Plan;

"Ordinary Share Capital"	the meaning given in section 989 Income Tax Act 2007;
"Original Market Value"	in relation to any Share to be taken into account for the purposes of the limit in Section 4(c)(iii) as applied in this Plan, its Market Value as determined for the purposes of the relevant grant of options;
"Participating Company"	(1) the Company; and (2) any other company which is under the Control of the Company or is a Subsidiary of the Company;
"Plan"	this UK Company Share Option Plan (CSOP);
"Schedule 4"	Schedule 4 to the Act;
"Share"	a share of the Company's Ordinary Share Capital which complies with the conditions set forth in Part 4 of Schedule 4;
"Subsidiary"	the meaning given by Section 1159 of the Companies Act 2006;
"UK Participant"	a director or employee, or former director or employee, to whom an Option under this Plan has been granted or (where the context so admits or requires) the personal representatives of any such person.

(I) Options under this Plan may only be granted to Eligible Employees.

(J) For the purposes of this Plan the following Sections of the Plan shall be amended, modified or deleted as follows:

1. Section 4(b)(i) shall not apply to this Plan.

2. Section 4(b)(iii) shall not apply to this Plan and shall be replaced by the following:
"to determine the number of Shares to be covered by each Option provided that any Option granted to an Eligible Employee shall be limited to take effect so that immediately following such grant the aggregate Original Market Value of all Shares over which he or she has been granted option rights under the Plan or any other share option plan approved under Schedule 4 adopted by the Company or an Associated Company, shall not exceed or further exceed the Individual Approved Option Limit;"

3. Section 4(b)(v)shall not apply to this Plan and shall be replaced by the following:
"to determine the terms and conditions, not inconsistent with the terms of the Plan, if any Option granted hereunder, which terms and conditions include but are not limited to the time or times when Options vest and/or be exercised (which may be based on performance criteria) provided any such terms and conditions are objective and are stated in writing at the Date of Grant."

4. Section 4(b)(vii) shall not apply to this Plan.

5. Section 4(b)(viii) shall not apply to this Plan.

6. Section 4(b)(ix) shall not apply to this Plan.

7. Section 5(a) shall not apply to this Plan and shall be replaced by the following:
"Options may only be granted to Eligible Employees."

8. Section 5(b) shall not apply to this Plan.

9. Section 7(b) shall not apply to this Plan.

10. Section 7(c)(i) shall not apply to this Plan and shall be replaced by the following:

"The per Share exercise price for the Shares to be issued pursuant to the exercise of an Option shall be determined by the Administrator and set forth in the Option Agreement, but shall not be less than the Market Value of a Share on the Date of Grant or, if the Administrator so determines, at such earlier time or times as the Administrator may determine (with the prior agreement in writing of HMRC)."

11. Section 7(c)(ii) shall not apply to this Plan and shall be replaced by the following:

"The consideration to be paid for the Shares to be issued upon the exercise of an Option, including the method of payment, shall be determined by the Administrator and may consist entirely of (1) cash; (2) check or (3) such other consideration and method of payment that does not affect the approved status under Schedule 4 of the Option."

12. Section 7(d)(i)(2) shall not apply to this Plan.

13. Section 7(d)(i)(3) shall not apply to this Plan and shall be replaced by the following:

"**Minimum Exercise Requirements.** An Option may not be exercised for a fraction of a Share. The Administrator may require that an Option be exercised as to a minimum number of Shares, provided that such requirement is set forth in the applicable Option Agreement and does not prevent a UK Participant from exercising the full number of Shares as to which the Option is exercisable from time to time".

14. Section 7(d)(i)(4) shall apply to this Plan but with the addition of the following:
"Shares delivered to a UK Participant pursuant to the Plan will rank *pari passu* in all respects with Shares then in issue."

15. Section 7(d)(ii) shall apply to this Plan but shall not enable the Administrator to waive or modify provisions regarding termination of Continuous Service Status in relation to an Option which has been granted.

16. Section 7(d)(ii)(3) shall apply to this Plan but modified such that the reference to "12 month(s)" shall be replaced with "6 months".

17. Section 7(d)(ii)(4) shall apply to this Plan but modified such that Options may only be exercised by the UK Participant's personal representatives.

18. Section 7(d)(iii)(6) shall not apply to this Plan.

19. Section 8 to 11 shall not apply to this Plan.

20. Section 14(a) shall not apply to this Plan and shall be replaced by the following:

> "**General.** Options may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner. This Section shall not prevent the personal representatives of a deceased UK Participant from exercising the Option in accordance with the Plan and applicable Option Agreement(s)".

21. Section 15(a) shall apply to this Plan provided that any variation or variations made in accordance with that Section must secure:
    (A) that the total market value of the Shares which may be acquired by the exercise of an Option is immediately after the variation or variations substantially the same as what it was immediately before the variation or variations; and
    (B) that the total price at which Shares may be acquired on the Exercise of an Option is immediately after the variation or variations substantially the same as what it was immediately before the variation or variations.

22. Section 15(b) shall apply to this Plan but with the words "unless otherwise determined by the Administrator" replaced with the following: "unless otherwise determined by the Administrator acting fairly and reasonably".

23. Section 15(c) shall not apply to this Plan and shall be replaced by the following:

> "**Certain Corporate Transactions.**
>
> (i) If as a result of a Corporate Transaction that falls with paragraph 25A of Schedule 4 and the Option is exercisable, then it may, if the Administrator so determines, be exercisable by virtue of this provision during such period as the Administrator may determine provided such period does not exceed any of the periods (as relevant) permitted under paragraph 25A of Schedule 4. In exercising its discretion, the Administrator shall act fairly and reasonably.
>
> "**Approved rollover of Options.**
>
> (ii) If as a result of a Corporation Transaction that falls within paragraph 26(2) of Schedule 4, a company (the "Acquiring Company") obtains Control of the Company any UK Participant may at any time within the Appropriate Period, by agreement with the Acquiring Company, release any Option which has not lapsed (the "Old Option") in consideration for the grant to him of an option (the "New Option") which (for the purposes of paragraph 27 of Schedule 4) is equivalent to the Old Option but relates to Shares in a different company (whether the Acquiring Company itself or some other company falling within paragraph 16(b) or 16(c) of Schedule 4).
>
> (iii) The New Option shall not be regarded for the purposes of Section 13(d)(i) (as applied to this Plan) unless the conditions set out in paragraph 27(4) of Schedule 4 are satisfied, but so that the provisions of the Plan shall for this purpose be construed as if (A) the New Option were an Option granted under the Plan at the same time as the Old Option; and (B) except for the definitions of "Participating Company" and "Subsidiary", the reference to "Elastic N.V." in the definition of

the Company in Section 2 of the Plan were a reference to the different company mentioned in Section 13(d)(i) of the Plan (as applied to this Plan)."

24. Section 15(d) shall not apply to this Plan.

25. Section 19 shall not apply to this Plan.

26. Section 24 shall not apply to options granted prior to 9 December 2021 pursuant to this Plan.

ADDENDUM B

Israeli Addendum
Adopted by the Compensation Committee of the Board of Directors of Elastic N.V. on April 28, 2020
to

ELASTIC N.V.

Amended and Restated 2012 Stock Option Plan

This Israeli Addendum (the "**Addendum**") to the Amended and Restated 2012 Stock Option Plan (as amended from time to time, the "**Plan**") of Elastic N.V. (the "**Company**") shall apply only to persons who are, or are deemed to be, residents of the State of Israel for Israeli tax purposes ("Israeli Tax Residents").

1. GENERAL

1.1. Unless otherwise defined in this Addendum, capitalized terms contained herein shall have the same meanings given to them in the Plan.

1.2. The Administrator in its discretion, may grant Awards to eligible Participants and shall determine whether Awards granted under the Plan to Israeli Tax Residents are intended to be 102 Awards or 3(i) Awards. Each Award granted to an Israeli Tax Resident shall be evidenced by an Award Agreement, which shall expressly identify the Award type, and be in such form and contain such provisions, as the Administrator shall from time to time deem appropriate.

1.3. The Plan shall apply to any Awards granted pursuant to this Addendum, provided, that the provisions of this Addendum shall supersede and govern in the case of any inconsistency or conflict, either explicit or implied, arising between the provisions of this Addendum and the Plan.

2. DEFINITIONS.

2.1. "**3(i) Award**" means any Award granted to any Participant who is not an Employee pursuant to Section 3(i) of the Ordinance.

2.2. "**102 Award**" means any Award intended to qualify (as set forth in the applicable Award Agreement) and which qualifies under Section 102, provided it is settled only in Shares.

2.3. "**102 Capital Gain Track Award**" means any 102 Award granted to an Employee pursuant to Section 102(b)(2) or (3) (as applicable) of the Ordinance under the capital gain track.

2.4. "**102 Non-Trustee Award**" means any Award granted to an Employee pursuant to Section 102(c) of the Ordinance without a Trustee.

2.5. "**102 Ordinary Income Track Award**" means any 102 Award granted to an Employee pursuant to Section 102(b)(1) of the Ordinance under the ordinary income track.

2.6. "**102 Trustee Awards**" means, collectively, 102 Capital Gain Track Awards and 102 Ordinary Income Track Awards.

2.7. "**Award**" means any award of an Option or Restricted Stock Units under the Plan.

2.8. "**Controlling Shareholder**" has the meaning set forth in Section 32(9) of the Ordinance.

2.9. "**Election**" has the meaning set forth in Section 3.2 of this Addendum.

2.10. "**Employee**" means an "employee" within the meaning of Section 102(a) of the Ordinance (which as of the date of the adoption of this Addendum means (i) an individual employed by an Employer, and (ii) an individual who is serving and is engaged personally (and not through an entity) as an "office holder" by an Employer, excluding any Controlling Shareholder), provided such Employee also satisfies the eligibility requirements under the Plan.

2.11. "**Employer**" means, for purpose of a 102 Trustee Award, an Affiliate, Subsidiary or Parent which is an "employing company" within the meaning and subject to the conditions of Section 102(a) of the Ordinance.

2.12. "**ITA**" means the Israel Tax Authority**.**

2.13. "**Ordinance**" means the Israeli Income Tax Ordinance (New Version), 1961, including the Rules and any other regulations, rules, orders or procedures promulgated thereunder, as may be amended or replaced from time to time.

2.14. "**Required Holding Period**" has the meaning set forth in Section 3.5.1 of this Addendum.

2.15. "**Rules**" means the Income Tax Rules (Tax Benefits in Stock Issuance to Employees) 5763-2003.

2.16. "**Section 102**" means Section 102 of the Ordinance.

2.17. "**Trust Agreement**" means the agreement to be signed between the Company, an Employer and the Trustee for the purposes of Section 102.

2.18. "**Trustee**" means the trustee appointed by the Administrator and approved by the ITA to hold certain Awards granted to Israeli Tax Residents and the Shares issued pursuant to such Awards.

2.19. "**Withholding Obligations**" as defined in Section 5.5 below.

3. 102 AWARDS

3.1. Tracks. Awards granted pursuant to this Section 3 are intended to be granted as either 102 Capital Gain Track Awards or 102 Ordinary Income Track Awards. 102 Trustee Awards shall be granted subject to the special terms and conditions contained in this Section 3 and the general terms and conditions of the Plan and applicable Award Agreement, except to the extent such provisions of the Plan and applicable Award Agreement conflict with the tax laws or regulations applicable to the Israeli Tax Residents.

3.2. Election of Track. Subject to Applicable Laws, the Company may grant only one type of 102 Trustee Award at any given time to all Employees who are to be granted 102 Trustee Awards pursuant to this Addendum, and shall file an election with the ITA regarding the type of 102 Trustee Award it elects to grant before the date of grant of any 102 Trustee Award (the "**Election**"). Such Election shall also apply to any other securities received by any Employee as a result of holding the 102 Trustee Awards. The Company may change the type of 102 Trustee Award that it elects to grant only after the expiration of at least 12 months from the end of the year in which the first grant was made in accordance with the Election that was in effect at the time of such grant, or as otherwise provided by Applicable Laws. The Election shall not prevent the Company from granting 102 Non-Trustee Awards.

3.3. Eligibility for Awards. Subject to Applicable Laws, 102 Awards may be granted only to Employees. 102 Awards may be granted either with a Trustee or without a Trustee.

3.4. 102 Award Grant Date.

3.4.1. Each 102 Award will be deemed granted on the date determined by the Administrator, subject to the provisions of the Plan, provided that (i) the Employee signs all documents required by the Company or pursuant to Applicable Laws, and (ii) with respect to any 102 Trustee Award, the Company provides all applicable documents to the Trustee in accordance with the guidelines published by the ITA.

3.4.2. Unless otherwise permitted by the Ordinance, any grants of 102 Trustee Awards that are made on or after the date of the adoption of the Plan and this Addendum or an amendment to the Plan or this Addendum, as the case may be, that may become effective only at the expiration of thirty (30) days after the filing of the Plan and this Addendum or any amendment thereof (as the case may be) with the ITA in accordance with the Ordinance shall be conditional upon the expiration of such 30-day period, and such condition shall be read and is incorporated by reference into any corporate resolutions approving such grants and into any Award Agreement evidencing such grants (whether or not explicitly referring to such condition), and the date of grant shall be at the expiration of such 30-day period, whether or not the date of grant indicated therein corresponds with this Section. In the case of any contradiction, this provision and the date of grant determined pursuant hereto shall supersede and be deemed to amend any date of grant indicated in any corporate resolution or Award Agreement.

3.5. 102 Trustee Awards.

3.5.1. Each 102 Trustee Award, each Ordinary Share issued pursuant to any 102 Trustee Award and any rights granted thereunder, shall be allocated or issued to and registered in the name of the Trustee and shall be held in trust or controlled by the Trustee for the benefit of the Participant for the requisite period prescribed by the Ordinance (the "**Required Holding Period**"). In the event that the requirements under Section 102 to qualify an Award as a 102 Trustee Award are not met, then the Award may be treated as a 102 Non-Trustee Award or 3(i) Award (as determined by the Company in its discretion), all in accordance with the provisions of the Ordinance. After the expiration of the Required Holding Period, the Trustee may release such 102 Trustee Awards and any Shares issued pursuant to such 102 Trustee Awards, provided that (i) the Trustee has received an acknowledgment from the ITA that the Participant has paid any applicable taxes due pursuant to the Ordinance, or (ii) the Trustee and/or the Company and/or the Employer withhold(s) all applicable taxes and compulsory payments due pursuant to the Ordinance arising from the 102 Trustee Awards and/or any Shares issued upon exercise or (if applicable) vesting of such 102 Trustee Awards. The Trustee shall not release any 102 Trustee Awards or Shares issued upon exercise or (if applicable) vesting thereof prior to the payment in full of the Participant's tax and compulsory payments arising from such 102 Trustee Awards and/or Shares or the withholding referred to in (ii) above.

3.5.2. Each 102 Trustee Award shall be subject to the relevant terms of the Ordinance, the Rules and any determinations, rulings or approvals issued by the ITA, which shall be deemed an integral part of the 102 Trustee Awards and shall prevail over any term contained in the Plan, this Addendum or the applicable Award Agreement that is not consistent therewith. Any provision of the Ordinance, the Rules and any determinations, rulings or approvals by the ITA not expressly specified in the Plan, this Addendum or the applicable Award Agreement that are necessary to receive or maintain any tax benefit pursuant to Section 102 shall be binding on the Participant. Any Participant granted a 102 Trustee Award shall comply with the Ordinance and the terms and conditions of the Trust Agreement entered into between the Company and the Trustee. The Participant shall execute any and all documents that the Company, the Employer and/or the Trustee determine from time to time to be necessary in order to comply with the Ordinance and the Rules.

3.5.3. During the Required Holding Period, the Participant shall not release from trust or sell, assign, transfer or give as collateral, the Shares issuable upon the exercise or (if applicable) vesting of a 102 Trustee Award and/or any securities issued or distributed with respect thereto, until the expiration of the Required Holding Period. Notwithstanding the above, if any such sale, release or other action occurs during the Required Holding Period it may result in adverse tax consequences to the Participant under Section 102 and the Rules, which shall apply to and shall be borne solely by such Participant. Subject to the foregoing, the Trustee may, pursuant to a written request from the Participant, but subject to the terms of the Plan and this Addendum, release and transfer such Shares to a designated third party, provided that both of the following conditions have been fulfilled prior to such release or transfer: (i) payment has been made to the ITA of all taxes and compulsory payments required to be paid upon the release and transfer of the Shares, and confirmation of such payment has been received by the Trustee and the

Company, and (ii) the Trustee has received written confirmation from the Company that all requirements for such release and transfer have been fulfilled according to the terms of the Company's corporate documents, any agreement governing the Shares, the Plan, this Addendum, the applicable Award Agreement and any Applicable Laws.

3.5.4. If a 102 Trustee Award is exercised or (if applicable) vests, the Shares issued upon such exercise or (if applicable) vesting shall be issued in the name of the Trustee for the benefit of the Participant.

3.5.5. Upon or after receipt of a 102 Trustee Award, if required, the Participant may be required to sign an undertaking to release the Trustee from any liability with respect to any action or decision duly taken and executed in good faith by the Trustee in relation to the Plan, this Addendum, or any 102 Trustee Awards granted to such Participant hereunder.

3.6. 102 Non-Trustee Awards. The foregoing provisions of this Section 3 relating to 102 Trustee Awards shall not apply with respect to 102 Non-Trustee Awards, which shall, however, be subject to the relevant provisions of Section 102 and the applicable Rules. The Administrator may determine, at its discretion, that 102 Non-Trustee Awards, the Shares issuable upon the exercise or (if applicable) vesting of a 102 Non-Trustee Award and/or any securities issued or distributed with respect thereto, shall be allocated or issued to the Trustee, who shall hold such 102 Non-Trustee Award and all accrued rights thereon (if any) in trust for the benefit of the Participant and/or the Company, as the case may be, until the full payment of tax arising from the 102 Non-Trustee Awards, the Shares issuable upon the exercise or (if applicable) vesting of a 102 Non-Trustee Award and/or any securities issued or distributed with respect thereto. The Company, without limitation, may require the Participant to provide the Company with a guarantee or other security, to the satisfaction of each of the Trustee and the Company, with respect to the Participant's tax obligations.

3.7. Written Participant Undertaking. With respect to any 102 Trustee Award, as required by Section 102 and the Rules, by virtue of the receipt of such Award, the Participant is deemed to have provided, undertaken and confirmed the following written undertaking (and such undertaking is deemed incorporated into any documents signed by the Participant in connection with the grant of such 102 Trustee Award), and which undertaking shall be deemed to apply and relate to all 102 Trustee Awards granted to the Participant, whether under the Plan and this Addendum or other plans maintained by the Company, and whether prior to or after the date hereof:

3.7.1. The Participant shall comply with all terms and conditions set forth in Section 102 with regard to the "Capital Gain Track" or the "Ordinary Income Track", as applicable, and the applicable rules and regulations promulgated thereunder, as amended from time to time;

3.7.2. The Participant is familiar with, and understands the provisions of, Section 102 in general, and the tax arrangement under the "Capital Gain Track" or the "Ordinary Income Track" in particular, and its tax consequences; the Participant agrees that the 102 Trustee Awards and Shares that may be issued upon exercise or (if applicable) vesting of the 102 Trustee Awards (or otherwise in relation to the Awards), will be held by a Trustee appointed pursuant to Section 102 for at least the duration of the "Holding Period" (as such term is defined in Section 102) under the "Capital Gain Track" or the "Ordinary Income Track", as applicable. The Participant understands that any release of such 102 Trustee Awards or Shares from trust, or any sale of the Shares prior to the termination of the Holding Period, as defined above, will result in taxation at the marginal tax rate, in addition to deductions of appropriate social security, health tax contributions or other compulsory payments; and

3.7.3. The Participant agrees to the Trust Agreement signed between the Company, the Employer and the Trustee appointed pursuant to Section 102.

4. 3(i) AWARDS

4.1. Awards granted pursuant to this Section 4 are intended to constitute 3(i) Awards and shall be granted subject to the general terms and conditions of the Plan, and applicable Award Agreement, except to the extent such provisions of the Plan and applicable Award Agreement conflict with the tax laws or regulations

applicable to Israeli Tax Residents. In the event of any inconsistency or contradictions between the provisions of this Section 4 and the other terms of the Plan, this Section 4 shall prevail.

4.2. To the extent required by the Ordinance or the ITA or otherwise deemed by the Administrator to be advisable, the 3(i) Awards and/or any shares or other securities issued or distributed with respect thereto granted pursuant to this Plan shall be issued to a Trustee nominated by the Administrator in accordance with the provisions of the Ordinance or the terms of a trustee agreement, as applicable. In such event, the Trustee shall hold such Awards and/or other securities issued or distributed with respect thereto in trust, until exercised or (if applicable) vested by the Participant and the full payment of tax arising therefrom, pursuant to the Company's instructions from time to time as set forth in a trust agreement, which will have been entered into between the Company and the Trustee. If determined by the Administrator in its discretion, and subject to such trustee agreement, the Trustee will also hold the shares issuable upon exercise or (if applicable) vesting of the 3(i) Awards, as long as they are held by the Participant. If determined by the Board or the Committee, and subject to such trust agreement, the Trustee shall be responsible for withholding any taxes to which a Participant may become liable upon issuance of Shares, whether due to the exercise or (if applicable) vesting of Awards.

5. AGREEMENT REGARDING TAXES; DISCLAIMER

5.1. If the Company shall so require, as a condition of exercise or (if applicable) vesting of an Award or the release of Shares by the Trustee, a Participant shall agree that, no later than the date of such occurrence, the Participant will pay to the Company (or the Trustee, as applicable) or make arrangements satisfactory to the Company and the Trustee (if applicable) regarding payment of any applicable taxes and compulsory payments of any kind required by Applicable Laws to be withheld or paid.

5.2. TAX LIABILITY. ALL TAX CONSEQUENCES UNDER ANY APPLICABLE LAW WHICH MAY ARISE FROM THE GRANT OF ANY AWARDS OR THE EXERCISE OR (IF APPLICABLE) VESTING THEREOF, THE SALE OR DISPOSITION OF ANY SHARES GRANTED HEREUNDER OR ISSUED UPON EXERCISE OR (IF APPLICABLE) VESTING OF ANY AWARD, THE ASSUMPTION, SUBSTITUTION, CANCELLATION OR PAYMENT IN LIEU OF AWARDS OR FROM ANY OTHER ACTION IN CONNECTION WITH THE FOREGOING (INCLUDING WITHOUT LIMITATION ANY TAXES AND COMPULSORY PAYMENTS, SUCH AS SOCIAL SECURITY OR HEALTH TAX PAYABLE BY THE PARTICIPANT OR THE COMPANY IN CONNECTION THEREWITH) SHALL BE BORNE AND PAID SOLELY BY THE PARTICIPANT, AND THE PARTICIPANT SHALL INDEMNIFY THE COMPANY, ITS PARENT, SUBSIDIARIES AND AFFILIATES (INCLUDING THE EMPLOYER) AND THE TRUSTEE, AND SHALL HOLD THEM HARMLESS AGAINST AND FROM ANY LIABILITY FOR ANY SUCH TAX OR PAYMENT OR ANY PENALTY, INTEREST OR INDEXATION THEREON. EACH PARTICIPANT AGREES TO, AND UNDERTAKES TO COMPLY WITH, ANY RULING, SETTLEMENT, CLOSING AGREEMENT OR OTHER SIMILAR AGREEMENT OR ARRANGEMENT WITH ANY TAX AUTHORITY IN CONNECTION WITH THE FOREGOING WHICH IS APPROVED BY THE COMPANY.

5.3. NO TAX ADVICE. THE PARTICIPANT IS ADVISED TO CONSULT WITH A TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES OF RECEIVING, EXERCISING, VESTING OR DISPOSING OF AWARDS HEREUNDER. THE COMPANY DOES NOT ASSUME ANY RESPONSIBILITY TO ADVISE THE PARTICIPANT ON SUCH MATTERS, WHICH SHALL REMAIN SOLELY THE RESPONSIBILITY OF THE PARTICIPANT.

5.4. TAX TREATMENT. THE COMPANY AND ITS PARENT, SUBSIDIARIES AND AFFILIATES (INCLUDING THE EMPLOYER) DOES NOT UNDERTAKE OR ASSUME ANY LIABILITY OR RESPONSIBILITY TO THE EFFECT THAT ANY AWARD SHALL QUALIFY WITH ANY PARTICULAR TAX REGIME OR RULES APPLYING TO PARTICULAR TAX TREATMENT, OR BENEFIT FROM ANY PARTICULAR TAX TREATMENT OR TAX ADVANTAGE OF ANY TYPE AND THE COMPANY AND ITS PARENT, SUBSIDIARIES AND AFFILIATES (INCLUDING THE EMPLOYER) SHALL BEAR NO LIABILITY IN CONNECTION WITH THE MANNER IN WHICH ANY AWARD IS EVENTUALLY TREATED FOR TAX PURPOSES, REGARDLESS OF WHETHER THE AWARD WAS GRANTED OR WAS INTENDED

TO QUALIFY UNDER ANY PARTICULAR TAX REGIME OR TREATMENT. THIS PROVISION SHALL SUPERSEDE ANY DESIGNATION OF AWARDS OR TAX QUALIFICATION INDICATED IN ANY CORPORATE RESOLUTION OR AWARD AGREEMENT, WHICH SHALL AT ALL TIMES BE SUBJECT TO THE REQUIREMENTS OF APPLICABLE LAWS. THE COMPANY AND ITS PARENT, SUBSIDIARIES AND AFFILIATES (INCLUDING THE EMPLOYER) DO NOT UNDERTAKE AND SHALL NOT BE REQUIRED TO TAKE ANY ACTION IN ORDER TO QUALIFY ANY AWARD WITH THE REQUIREMENTS OF ANY PARTICULAR TAX TREATMENT AND NO INDICATION IN ANY DOCUMENT TO THE EFFECT THAT ANY AWARD IS INTENDED TO QUALIFY FOR ANY TAX TREATMENT SHALL IMPLY SUCH AN UNDERTAKING. NO ASSURANCE IS MADE BY THE COMPANY, ANY OF ITS PARENT, SUBSIDIARIES OR AFFILIATES (INCLUDING THE EMPLOYER) THAT ANY PARTICULAR TAX TREATMENT ON THE DATE OF GRANT WILL CONTINUE TO EXIST OR THAT THE AWARD WILL QUALIFY AT THE TIME OF VESTING, EXERCISE OR DISPOSITION THEREOF WITH ANY PARTICULAR TAX TREATMENT. THE COMPANY AND ITS PARENT, SUBSIDIARIES AND AFFILIATES (INCLUDING THE EMPLOYER) SHALL NOT HAVE ANY LIABILITY OR OBLIGATION OF ANY NATURE IN THE EVENT THAT AN AWARD DOES NOT QUALIFY FOR ANY PARTICULAR TAX TREATMENT, REGARDLESS WHETHER THE COMPANY OR ITS PARENT, SUBSIDIARIES OR AFFILIATES (INCLUDING THE EMPLOYER) COULD HAVE TAKEN ANY ACTION TO CAUSE SUCH QUALIFICATION TO BE MET AND SUCH QUALIFICATION REMAINS AT ALL TIMES AND UNDER ALL CIRCUMSTANCES AT THE RISK OF THE PARTICIPANT. THE COMPANY AND ITS PARENT, SUBSIDIARIES AND AFFILIATES (INCLUDING THE EMPLOYER) DO NOT UNDERTAKE OR ASSUME ANY LIABILITY TO CONTEST A DETERMINATION OR INTERPRETATION (WHETHER WRITTEN OR UNWRITTEN) OF ANY TAX AUTHORITY, INCLUDING IN RESPECT OF THE QUALIFICATION UNDER ANY PARTICULAR TAX REGIME OR RULES APPLYING TO PARTICULAR TAX TREATMENT. IF THE AWARDS DO NOT QUALIFY UNDER ANY PARTICULAR TAX TREATMENT IT COULD RESULT IN ADVERSE TAX CONSEQUENCES TO THE PARTICIPANT.

5.5. The Company or its Parents, Subsidiaries and Affiliates (including the Employer) may take such action as they may deem necessary or appropriate, in their discretion, for the purpose of or in connection with withholding of any taxes and compulsory payments which the Trustee, the Company or any Parent, Subsidiary or Affiliate (including the Employer) is required by any Applicable Laws to withhold in connection with any Awards, including, without limitations, any income tax, social benefits, social insurance, health tax, pension, payroll tax, fringe benefits, excise tax, payment on account or other tax-related items related to the Participant's participation in the Plan and applicable by law to the Participant (collectively, "**Withholding Obligations**"). Such actions may include, without limitation, (i) requiring Participants to remit to the Company or the Employer in cash an amount sufficient to satisfy such Withholding Obligations and any other taxes and compulsory payments, payable by the Company or the Employer in connection with the Award or the exercise or (if applicable) vesting thereof; (ii) subject to Applicable Laws, allowing the Participants to surrender Shares, in an amount that at such time, reflects a value that the Administrator determines to be sufficient to satisfy such Withholding Obligations; (iii) withholding Shares otherwise issuable upon the exercise of an Award at a value which is determined by the Company to be sufficient to satisfy such Withholding Obligations; or (iv) any combination of the foregoing. The Company shall not be obligated to allow the exercise or vesting of any Award by or on behalf of a Participant until all tax consequences arising therefrom are resolved in a manner acceptable to the Company.

5.6. Each Participant shall notify the Company in writing promptly and in any event within ten (10) days after the date on which such Participant first obtains knowledge of any tax bureau inquiry, audit, assertion, determination, investigation, or question relating in any manner to the Awards granted or received hereunder or Shares issued thereunder and shall continuously inform the Company of any developments, proceedings, discussions and negotiations relating to such matter, and shall allow the Company and its representatives to participate in any proceedings and discussions concerning such matters. Upon request, a Participant shall provide to the Company any information or document relating to any matter described in the preceding sentence, which the Company, in its discretion, requires.

5.7. With respect to 102 Non-Trustee Awards, if the Participant ceases to be employed by the Company or any Parent, Subsidiary or Affiliate (including the Employer), the Participant shall extend to the

Company and/or the Employer a security or guarantee for the payment of taxes due at the time of sale of Shares, all in accordance with the provisions of Section 102 and the Rules.

6. RIGHTS AND OBLIGATIONS AS A SHAREHOLDER

6.1. In the case of 102 Awards or 3(i) Awards (if such Awards are being held by a Trustee), the Trustee shall have no rights as a shareholder of the Company with respect to the Shares covered by such Award until the Trustee becomes the record holder for such Shares for the Participant's benefit, and the Participant shall not be deemed to be a shareholder and shall have no rights as a shareholder of the Company with respect to the Shares covered by the Award until the date of the release of such Shares from the Trustee to the Participant and the transfer of record ownership of such Shares to the Participant (provided however that the Participant shall be entitled to receive from the Trustee any cash dividend or distribution made on account of the Shares held by the Trustee for such Participant's benefit, subject to any tax withholding and compulsory payment). No adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distribution of other rights for which the record date is prior to the date on which the Participant or Trustee (as applicable) becomes the record holder of the Shares covered by an Award, except as provided in the Plan.

7. GOVERNING LAW

7.1. This Addendum shall be governed by the internal substantive laws, but not the choice of law rules, of Delaware; provided, however, that the corporate law aspects of issuance shall be governed by the laws of the Netherlands, and that any mandatory tax matters arising hereunder shall be governed by applicable Israeli laws, rules and regulations (as amended).

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ADDENDUM C

FRENCH ADDENDUM

ADOPTED BY THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF ELASTIC N.V. ON JUNE 1, 2020

to the

ELASTIC N.V.

Amended and Restated 2012 Stock Option Plan

1. Introduction

Elastic N.V. (the "***Company***") has established the Amended and Restated 2012 Stock Option Plan (the "***Plan***"), as approved by shareholders of the Company on September 28, 2018 and as may be subsequently amended from time to time, for the benefit of certain employees and other service providers of the Company or a Parent, Subsidiary or Affiliate, including employees of a Subsidiary or Affiliate of which the Company holds directly or indirectly at least 10% of the share capital (a "***French Entity***").

The Plan authorizes the Administrator to grant Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units and Performance Shares. Sections 4(b)(ix) ("Powers of the Administrator") and 21("Addenda") of the Plan authorize the Administrator to approve addenda or to grant Awards to, or to modify the terms of, any outstanding Award Agreement or any agreement related to any Shares covered by an Award held by Participants who are foreign nationals or employed outside of the United States with such terms and conditions as the Administrator deems necessary or appropriate to accommodate differences in local law, tax policy or custom which deviate from the terms and conditions set forth in the Plan to the extent necessary or appropriate to accommodate such differences. Pursuant to the foregoing authority, the Administrator, therefore, intends to establish an addendum to the Plan for the purpose of granting Options that qualify for the specific tax and social security treatment under Sections L. 225-177 to L. 225-186-1 of the French Commercial Code, as amended ("***French-qualified Options***"), and Restricted Stock Units (including Performance Units) that qualify for the specific tax and social security treatment under Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code, as amended ("***French-qualified RSUs***"), to qualifying Participants who are resident in France for French tax purposes and/or subject to the French social security regime ("***French Participants***").

The terms of the Plan (to which this addendum is attached) shall, subject to the limitations set forth herein, constitute the rules of the Plan for French Participants (the "***French Addendum***"). Options and Restricted Stock Units granted to French Participants pursuant to the French Addendum shall be French-qualified Options and French-qualified RSUs. However, Options and Restricted Stock Units may be granted to French Participants under the Plan and not under the French Addendum, at the Administrator's discretion.

2. Definitions

Capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Plan. The terms set forth below shall have the following meanings:

(a) The term "***Closed Period***" means:

(i) For French-qualified Options, "Closed Periods" shall mean the specific periods set forth in Section L. 225-177 of the French Commercial Code, as amended, during which French-qualified Options cannot be granted, as described in Section 9(a) below, including: (A) the ten (10)

quotation day period preceding the date on which the annual and interim consolidated financial statements or the annual and half-yearly accounts of the Company are made public, and the day of publication; and (B) any period during which the corporate management of the Company possesses confidential information within the meaning of Article 7 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and cancelling the Directive 2003/6/UE and Directives 2003/124/CE Parliament and 2004/72/CE of the Commission, until the date on which this information is disclosed to the public, and (C) the twenty (20) quotation day period following a distribution of a dividend (*i.e*., the ex-dividend date) that offers the right to a dividend or capital increase.

(ii) For French-qualified RSUs, "Closed Periods" shall mean the specific periods set forth by Section L. 225-197-1 of the French Commercial Code as amended from time to time, during which the sale or transfer of Shares acquired at vesting of French-qualified RSUs cannot be sold or transferred, as described in Section 10(c) below, including: (A) the thirty (30) calendar day period before the announcement of an interim financial report or end-of-year report that the Company is required to make public; and (B) with respect to such persons, any period during which the chief executive officer (*directeur général*), any deputy chief executive officer (*directeur général délégué*), or any member of the board of directors (*conseil d'administration*), the supervisory board (*conseil de surveillance*) or the executive board (*directoire*) of the Company, or any Employee possesses knowledge of inside information (within the meaning of Article 7 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (Market Abuse Regulation) and cancelling the Directive 2003/6/UE and Directives 2003/124/CE Parliament and 2004/72/CE of the Commission) which has not been disclosed to the public.

If, after adoption of the French Addendum, French law or regulations are amended to modify the definition and/or applicability of Closed Periods to French-qualified Options and/or French-qualified RSUs, such amendments shall apply to any French-qualified Options and French-qualified RSUs granted under this French Addendum, to the extent permitted or required under French law.

(b) The term "***Exercise Price***" shall be the per Share price to purchase Shares pursuant to the exercise of an Option.

(c) The term "***Qualified Disability***" shall mean a Disability that meets the requirements of categories 2 and 3 under Section L. 341-4 of the French Social Security Code, as amended, subject to the fulfillment of related conditions.

(d) The term "***Grant Date***" shall mean the date on which the Administrator both (i) designates the French Participants, and (ii) specifies the terms and conditions of the French-qualified Options or French-qualified RSUs being granted, such as the number of Shares subject to each Award of French-qualified Options or French-qualified RSUs, the vesting conditions of the French-qualified Options or French-qualified RSUs, the conditions for exercising the French-qualified Options and any restrictions on the sale of Shares subject to the French-qualified Options or French-qualified RSUs.

(e) The term "***Vesting Date***" shall mean the relevant date on which French-qualified RSUs have met all vesting conditions specified by the Administrator and the French Participant holding such French-qualified RSUs becomes entitled to receive the Shares underlying such French-qualified RSUs for no cash consideration.

3. Eligibility

Notwithstanding any other term of this French Addendum, French-qualified Options and French-Qualified RSUs may be granted only to employees or corporate directors of the French Entities who hold less than ten percent (10%)

of the outstanding Shares of the Company and who otherwise satisfy the eligibility conditions of Section 5(a) ("Recipients of Grants") of the Plan.

Subject to the paragraph below, any French Participant who, on the Grant Date of an Option and/or Restricted Stock Units, and to the extent required under French law, is employed under the terms and conditions of an employment contract ("*contrat de travail*") by a French Entity or who is a corporate officer of a French Entity shall be eligible to receive, at the discretion of the Administrator, French-qualified Options and/or French-qualified RSUs under this French Addendum, provided he or she also satisfies the eligibility conditions of Section 5(a) ("Recipients of Grants") of the Plan.

French-qualified Options and French-qualified RSUs may not be issued to corporate officers of French Entities, other than the managing directors *(Président du Conseil d'Administration, Directeur Général, Directeur Général Délégué, Membre du Directoire, Gérant de Sociétés par actions)* unless the corporate officer is an employee of a French Entity, as defined by French law.

Notwithstanding the foregoing, to the extent permissible under French tax and social security laws, including guidelines and specific tax or social security rulings issued by French tax and social security authorities, any individual who is employed by the Company or a French Entity or another Subsidiary or Affiliate of the Company shall be eligible to receive French-qualified Options and/or French-qualified RSUs under the French Addendum (provided that he or she also satisfies the eligibility conditions of Section 5(a) ("Recipients of Grants") of the Plan) even if the individual is not a French tax resident and/or subject to the French social contribution regime at the Grant Date and such an individual shall be considered, to the extent applicable (as determined by the Administrator in its sole discretion), as a French Participant for purposes of this French Addendum.

4. Employment Rights

The adoption of this French Addendum shall not confer upon the French Participant, or any employees of a French Entity, any employment rights and shall not be construed as a part of any employment contracts that a French Entity has with its employees.

5. Delivery of Shares Only

Only Shares and not cash payments may be delivered to any French Participant in settlement of French-qualified Options and French-qualified RSUs granted under this French Addendum.

6. Non-Transferability

Notwithstanding any provision in the Plan to the contrary and except in the case of death, French-qualified Options and French-qualified RSUs cannot be transferred to any third party. In addition, during the lifetime of the French Participant, the French-qualified Options are exercisable only by the French Participant, subject to Sections 9(c)(iii) and 9(d) below; and Shares underlying French-qualified RSUs may be issued by the Company only to the French Participant, subject to Sections 10(b) and 10(g) below.

7. Disqualification of French-qualified Options and French-qualified RSUs

In the event changes are made to the terms and conditions of the French-qualified Options and/or French-qualified RSUs due to any requirements under applicable laws, or by decision of the Company's shareholders or the Administrator, the Options and/or Restricted Stock Units granted under this French Addendum may no longer qualify as French-qualified Options and French-qualified RSUs.

If the Options and/or Restricted Stock Units granted under this French Addendum no longer qualify as French-qualified Options and/or French-qualified RSUs, the Administrator may, in its sole discretion, determine to lift, shorten or terminate certain restrictions applicable to the vesting or exercisability of such Options, the vesting of such Restricted Stock Units or the sale of the Shares underlying such Options and/or Restricted Stock Units, which

have been imposed under this French Addendum or in the applicable Award Agreement for the purpose of obtaining the specific tax and social security treatment applicable to French-qualified Options and/or French-qualified RSUs. Should the awards no longer be qualified, the French Participant shall be responsible for paying any applicable French tax and social security contributions, to the extent permissible under French law.

8. Amendments

Subject to the terms of the Plan, the Administrator reserves the right to amend or terminate the French Addendum at any time.

9. French-Qualified Options

(a) Closed Periods for French-qualified Options

French-qualified Options may not be granted during a Closed Period to the extent such Closed Periods are applicable to French-qualified Options granted by the Company. If the Company grants Options on a date during an applicable Closed Period, the Grant Date for French Participants shall be the first date following the expiration of the Closed Period, provided the grant of Options on such date is not prohibited under the Plan.

(b) Terms and Conditions of French Qualified Options

(i) Options may be "purchase stock options," which are rights to acquire Shares repurchased by the Company prior to the date on which the Options become exercisable or "subscription stock options," which are rights to subscribe for newly-issued Shares.

(ii) The Exercise Price of and number of Shares underlying the Options shall not be modified after the Grant Date, except as provided in Section 9(e) of this French Addendum, or as otherwise authorized by French law. Any other modification permitted under the Plan may result in the Options no longer qualifying as French-qualified Options.

(iii) The French-qualified Options will vest and become exercisable pursuant to the terms and conditions set forth in the Plan, this French Addendum, and the applicable Award Agreement.

(iv) The Exercise Price per Share payable pursuant to French-qualified Options granted under this French Addendum shall be fixed by the Administrator on the Grant Date. In no event shall the Exercise Price be less than the greatest of:

(A) with respect to purchase stock options: the higher of either 80% of the average of the closing price of the Shares during the 20 quotation day period immediately preceding the Grant Date or 80% of the average of the purchase price paid for such Shares by the Company;

(B) with respect to subscription stock options: 80% of the average of the closing price of such Shares during the 20 quotation day period immediately preceding the Grant Date; and

(C) the minimum Exercise Price permitted under the Plan.

(c) Exercise of French-qualified Options

(i) At the time French-qualified Options are effectively granted, the Administrator shall fix the period, if any, within which the French-qualified Options vest and may be exercised and shall determine any conditions that must be satisfied before the French-qualified Options may be

exercised. Such restriction period for the vesting or the exercise of French-qualified Options shall be set forth in the applicable Award Agreement.

(ii) Upon exercise of French-qualified Options, the full Exercise Price shall be paid by the French Participant as set forth in the applicable Award Agreement.

(iii) In the event of the death of a French Participant, his or her French-qualified Options shall thereafter be immediately vested and exercisable in full under the conditions set forth in Section 9(d) of this French Addendum.

(iv) If a French Participant's employment is terminated or the French Participant otherwise ceases to provide services to the Company or a French Entity, his or her French-qualified Options will be exercisable according to the provisions of the Award Agreement.

(v) The Shares acquired upon exercise of French-qualified Options shall be fully owned by the French Participant and recorded in an account in his or her name and must be held with the Company or a broker or in such manner as the Company may otherwise determine to ensure compliance with French laws.

(vi) To the extent and as long as applicable to French-qualified Options granted by the Company, a restriction on exercise of the Options shall be imposed in the Award Agreement for any French Participant who qualifies as a managing director of the Company.

(d) Death

In the event of the death of a French Participant while he or she is actively employed by the Company or a French Entity, all French-qualified Options held by such Participant shall become immediately vested and exercisable and may be exercised in full by the French Participant's heirs or the legal representative of his or her estate for the six (6) month period following the date of the French Participant's death or such other period as may be required to comply with French law. In the event of the death of a French Participant after termination of active employment with the Company or a French Entity, the French-qualified Options will be treated as set forth in the applicable Award Agreement. Any French-qualified Options that remain unexercised shall expire six (6) months following the date of the French Participant's death or after expiration of such other period as may be required to comply with French law. The six (6) month exercise period (or such other period as may be required to comply with French law) will apply without regard to the term of the French-qualified Options as described in Section 9(f) of this French Addendum.

(e) Adjustments – Change in Control

Adjustments to French-qualified Options granted under this French Addendum to preclude the dilution or enlargement of benefits under the French-qualified Options shall be made only in respect of transactions listed under Section L. 225-181 of the French Commercial Code, as amended, and in case of a repurchase of Shares by the Company at a price that is higher than the stock quotation price in the open market, and according to the provisions of Section L. 228-99 of the French Commercial Code, as amended, as well as according to specific decrees. Adjustment to French-qualified Options granted pursuant to this French Addendum other than as described above may cause such Options to no longer qualify for specific tax and social security treatment under French law.

Nevertheless, the Administrator, at its discretion, may decide to make adjustments to French-qualified Options granted pursuant to this French Addendum in the case of a transaction or event, as described in Section 15 ("Adjustments Upon Changes in Capitalization, Merger or Certain Other Transactions") of the Plan, for which adjustments may not be authorized under French law, in which case, such Options may no longer qualify as French-qualified Options and the specific tax and social security treatment may be lost.

(f) Term of French-Qualified Option

French-qualified Options granted pursuant to this French Addendum will expire no later than nine and a half (9.5) years from the Grant Date, unless otherwise specified in the applicable Award Agreement. The French-qualified Option term will be extended only in the event of the death of a French Participant, but in no event will any French-qualified Option be exercisable beyond six (6) months following the date of the French Participant's death or such other period as may be required to comply with French law.

10. French-qualified RSUs

(a) Nature of French-qualified RSUs

Each French-qualified RSU represents the right to receive one Share (or, in the case of French-qualified RSUs that are Performance Units under the Plan, a specified number or percentage of Shares subject to the Award), subject to meeting all applicable vesting criteria established by the Administrator and all other applicable terms and conditions under the Plan and applicable Award Agreement. Until the effective issuance of the Shares, no right to vote or receive dividends or any other rights as a holder of shares in the capital of the Company shall exist with respect to the Shares subject to Restricted Stock Units, notwithstanding vesting of the Restricted Stock Units.

(b) Vesting of French-Qualified RSUs

Notwithstanding any other provision of the Plan, French-qualified RSUs shall not vest and the Shares underlying French-qualified RSUs shall not be delivered to French Participants prior to the expiration of a minimum one-year period calculated from the Grant Date, or such other period as required to comply with the minimum mandatory vesting period applicable to French-qualified RSUs under Section L. 225-197-1 of the French Commercial Code, as amended, or the relevant sections of the French Tax Code or the French Social Security Code, as amended, to benefit from the specific tax and social security regime for French-qualified restricted stock units. However, notwithstanding the vesting requirements described above, in the event of the death of a French Participant, all of his or her outstanding French-qualified RSUs shall become vested under the conditions set forth in Section 10(g) of this French Addendum.

(c) Holding Period for Shares

The sale or transfer of Shares issued pursuant to French-qualified RSUs may not occur prior to the relevant anniversary of the Grant Date specified by the Administrator and in no case prior to the expiration of a minimum two-year period calculated from the Grant Date (or, if later, the date on which the Shares underlying the French-qualified RSUs are issued to the French Participant), or such other period as required to comply with the minimum mandatory holding period applicable to French-qualified RSUs under Section L. 225-197-1 of the French Commercial Code, as amended, or the relevant sections of the French Tax Code or the French Social Security Code, as amended, to benefit from the specific tax and social security regime for French-qualified restricted stock units, even if the French Participant is no longer an employee or corporate officer of the Company or a French Entity.

In addition, the Shares issued pursuant to the French-qualified RSUs may not be sold or transferred during a Closed Period, so long as those Closed Periods are applicable to Shares underlying French-qualified RSUs.

(d) Managing Director Restriction

To the extent and as long as applicable to French-qualified RSUs granted by the Company, a specific holding period for the sale or transfer of Shares shall be imposed in the applicable Award Agreement for any French Participant who qualifies as a managing director of the Company.

(e) French Participant's Account

The Shares issued pursuant to the French-qualified RSUs shall be fully owned by the French Participant and recorded and held in an account in his or her name with the Company or a broker selected by the Company, or in such other manner as the Company may determine, in order to ensure compliance with French laws, including any required holding periods.

(f) Adjustments – Change in Control

In the event of an adjustment due to a corporate transaction or event as set forth in Section 15 ("Adjustments Upon Changes in Capitalization, Merger or Certain Other Transactions") of the Plan, the adjustment to the terms and conditions of the French-qualified RSUs or underlying Shares shall be made in accordance with the Plan and pursuant to applicable French legal and tax rules. Nevertheless, the Administrator, at its discretion, may decide to make adjustments to French-qualified RSUs granted or Shares received pursuant to this French Addendum in the case of a transaction or event for which adjustments may not be authorized under French law, in which case, such Restricted Stock Units may no longer qualify as French-qualified RSUs and the specific tax and social security treatment may be lost.

(g) Death and Disability

In the event of the death of a French Participant, the French-qualified RSUs held by the French Participant at the time of death shall become immediately transferable to the French Participant's heirs and (i) any time- or service-based vesting conditions will be considered to have been met as of the date of the French Participant's death, and (ii) the attainment of any performance-based vesting conditions will be determined as set out in the applicable Award Agreement and in accordance with applicable French legal and tax rules. The Company shall issue the underlying Shares to the French Participant's heirs, at their request, provided the heirs contact the Company within six (6) months following the death of the French Participant or such other period as may be required to comply with French law and subject to part (ii) of the preceding sentence. If the French Participant's heirs do not request the issuance of the Shares underlying the French-qualified RSUs within six (6) months following the French Participant's death (or such other period as may be required to comply with French law), the French-qualified RSUs will be forfeited.

In the event a French Participant terminates employment by reason of his or her Qualified Disability, the Administrator, at its discretion, may determine the treatment of any French-qualified RSUs then outstanding but not vested, including that such French-qualified RSUs may be forfeited, may continue to vest on the existing schedule or may vest on an accelerated basis and be settled in Shares as promptly as practicable after vesting, provided that the French Participant provides sufficient evidence of his or her Qualified Disability.

If a French Participant dies or ceases to be employed by the Company or a French Entity by reason of his or her Qualified Disability, the French Participant's heirs or the French Participant, as applicable, shall not be subject to the restrictions on the sale or transfer of Shares set forth in Section 10(c) above.

11. Interpretation

It is intended that Options and Restricted Stock Units granted under this French Addendum shall qualify for the specific tax and social security treatment applicable to stock options granted under Sections L. 225-177 to L. 225-186-1 and to restricted stock units granted under Sections L. 225-197-1 to L. 225-197-6, respectively, of the French Commercial Code, as amended, and in accordance with the relevant provisions set forth by French tax law and the French tax administration, but no undertaking is made by the Company to maintain such status.

The terms of the French Addendum shall be interpreted accordingly and in accordance with the relevant provisions set forth by French tax and social security laws, as well as the French tax and social security administrations and the

relevant guidelines released by the French tax and social security authorities and subject to the fulfillment of legal, tax and reporting obligations.

In the event of any conflict between the provisions of the French Addendum and the Plan, the provisions of this French Addendum shall control for any grants of French-qualified Options or French-qualified RSUs made thereunder to French Participants.

12. Adoption

This French Addendum was adopted by the Administrator on June 1, 2020, and became effective as of the same date.

ELASTIC N.V.
AMENDED AND RESTATED 2012 STOCK OPTION PLAN
STOCK OPTION AGREEMENT

Unless otherwise defined herein, the terms defined in the Elastic N.V. Amended and Restated 2012 Stock Option Plan (the "Plan") will have the same defined meanings in this Stock Option Agreement, which includes the Notice of Stock Option Grant (the "Notice of Grant"), the Terms and Conditions of Stock Option Grant, including any special terms and conditions for Participant's country set forth in the country addendum thereto (the "Country Addendum"), attached hereto as Exhibit A, the Exercise Notice attached hereto as Exhibit B, and all other exhibits and appendices attached hereto (all together, the "Option Agreement").

NOTICE OF STOCK OPTION GRANT

Participant:

Address:

The undersigned Participant has been granted an Option to purchase Ordinary Shares of Elastic N.V. (the "Company"), subject to the terms and conditions of the Plan and this Option Agreement, as follows:

Grant Number:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Shares for which the Option is granted:	_____
Exercise Price per Share (in U.S. Dollars):	$ _____
Total Exercise Price(in U.S. Dollars):	$ _____
Type of Option:	___ Incentive Stock Option
	___ Nonstatutory Stock Option
Term/Expiration Date:	_____

Vesting Schedule:

Subject to accelerated vesting as set forth below or in the Plan, this Option will be exercisable, in whole or in part, in accordance with the following schedule:

[Insert vesting schedule.]

Termination Period:

This Option will be exercisable for three (3) months after Participant's Continuous Service Status terminates, unless such termination is due to Participant's death or Disability, in which case this Option will be exercisable for

twelve (12) months after Participant's Continuous Service Status terminates. Notwithstanding the foregoing sentence, in no event may this Option be exercised after the Term/Expiration Date as provided above and this Option may be subject to earlier termination as provided in Section 14 of the Plan.

For purposes of the Option, Participant's Continuous Service Status will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Affiliate, Parent or Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or providing services or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Option Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, (i) Participant's right to vest in the Option under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is employed or providing services or the terms of Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); and (ii) the period (if any) during which Participant may exercise the Option after such termination of Participant's Continuous Service Status will commence on the date Participant ceases to actively provide services and will not be extended by any notice period mandated under employment laws in the jurisdiction where Participant is employed or the terms of Participant's employment or service agreement, if any. Actively providing services during only a portion of the vesting period prior to a vesting date shall not entitle Participant to vest in a pro-rata portion of the unvested Option that would have vested as of such vesting date, nor will it entitle Participant to any compensation for the lost vesting. The Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of his or her Option grant (including whether Participant may still be considered to be providing services while on a leave of absence).

By Participant's signature and the signature of the representative of the Company below, Participant and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Option Agreement, including the Terms and Conditions of Stock Option Grant and the Country Addendum, attached hereto as Exhibit A, all of which are made a part of this document. Participant acknowledges receipt of a copy of the Plan. Participant has reviewed the Plan and this Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option Agreement, and fully understands all provisions of the Plan and this Option Agreement. Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Option Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT

Signature

Print Name

Address:

ELASTIC N.V.

Signature

Print Name

Title

EXHIBIT A

TERMS AND CONDITIONS OF STOCK OPTION GRANT

1. Grant of Option.

(a) The Company hereby grants to the individual ("Participant") named in the Notice of Stock Option Grant of this Option Agreement (the "Notice of Grant") an option (the "Option") to purchase the number of Shares set forth in the Notice of Grant, at the exercise price per Share set forth in the Notice of Grant (the "Exercise Price"), subject to all of the terms and conditions in this Option Agreement and the Plan, which is incorporated herein by this reference. Subject to Section 19(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Option Agreement, the terms and conditions of the Plan will prevail.

(b) For U.S. taxpayers, the Option will be designated as either an Incentive Stock Option ("ISO") or a Nonstatutory Stock Option ("NSO"). If designated in the Notice of Grant as an ISO, this Option is intended to qualify as an ISO under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). However, if this Option is intended to be an ISO, to the extent that it exceeds the $100,000 rule of Code Section 422(d) it will be treated as an NSO. Further, if for any reason this Option (or portion thereof) will not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a NSO granted under the Plan. In no event will the Administrator, the Company or any Affiliate, Parent or Subsidiary or any of their respective employees or directors have any liability to Participant (or any other person) due to the failure of the Option to qualify for any reason as an ISO.

(c) For non-U.S. taxpayers, the Option will be designated as an NSO.

2. Vesting Schedule. Except as provided in Section 3, the Option awarded by this Option Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Shares subject to this Option that are scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in accordance with any of the provisions of this Option Agreement, unless Participant will have remained in Continuous Service Status from the Date of Grant until the date such vesting occurs, with Continuous Service Status determined as described in the Termination Period section of the Notice of Grant.

3. Administrator Discretion. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Option at any time, subject to the terms of the Plan. If so accelerated, such Option will be considered as having vested as of the date specified by the Administrator.

4. Exercise of Option.

(a) Right to Exercise. This Option may be exercised only within the term set out in the Notice of Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option Agreement.

(b) Method of Exercise. This Option is exercisable by delivery of an exercise notice (the "Exercise Notice") in the form attached as Exhibit B to the Notice of Grant or in a manner and pursuant to such procedures as the Administrator may determine, which will state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the "Exercised Shares"), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice will be completed by Participant and delivered to the Company. The Exercise Notice will be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares and of any Tax Obligations (as defined in Section 6(a)). This Option will be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price.

5. Method of Payment. Payment of the aggregate Exercise Price will be by any of the following, or a combination thereof, at the election of Participant:

(a) cash in U.S. dollars;

(b) check designated in U.S. dollars;

(c) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan; or

(d) if Participant is a U.S. Employee, surrender of other Shares which have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the Exercised Shares and that are owned free and clear of any liens, claims, encumbrances, or security interests, provided that accepting such Shares, in the sole discretion of the Administrator, will not result in any adverse accounting consequences to the Company.

6. Tax Obligations.

(a) Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, the Affiliate, Parent or Subsidiary to which Participant is providing services (the "Service Recipient"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Option, including, without limitation, (i) all U.S. and non-U.S. federal, state, and local taxes (including Participant's U.S. Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company or the Service Recipient or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (ii) Participant's and, to the extent required by the Company (or Service Recipient), the Company's (or Service Recipient's) fringe benefit tax liability, if any, associated with the grant, vesting, or exercise of the Option or sale of Shares, and (iii) any other Company (or Service Recipient) taxes the responsibility for which Participant has, or has agreed to bear, with respect to the Option (or exercise thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is and remains Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Service Recipient. Participant further acknowledges that the Company and/or the Service Recipient (A) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends or other distributions, and (B) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction, Participant acknowledges that the Company and/or the Service Recipient (or former Service Recipient, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares.

(b) Tax Withholding. When the Option is exercised, Participant generally will recognize immediate U.S. taxable income if Participant is subject to taxation in the U.S. If Participant is subject to taxation in any other jurisdiction, Participant will be subject to applicable taxes, if any, in such jurisdiction at the time of the taxable event, as determined under local law. Pursuant to such procedures as the Administrator may specify from time to time, the Company and/or Service Recipient shall withhold the amount required to be withheld for the payment of Tax Obligations. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit Participant to satisfy such Tax Obligations, in whole or in part (without limitation), if permissible by applicable local law, by (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Shares having a fair market value equal to the amount necessary to meet the withholding requirement for such Tax Obligations (or such other amount as the Administrator may determine, if such amount would not result in adverse financial accounting consequences), (iii) withholding the amount of such Tax Obligations from Participant's wages or other cash compensation paid to Participant by the Company and/or the Service Recipient, (iv) if Participant is a U.S. Employee, delivering to the Company already vested and owned Shares having a fair market value equal to such Tax Obligations, or

(v) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the amount necessary to meet the withholding requirement for such Tax Obligations (or such other amount as Administrator may determine, if such amount would not result in adverse financial accounting consequences). To the extent determined appropriate by the Company in its discretion, it will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant.

(c) Notice of Disqualifying Disposition of ISO Shares. If the Option granted to Participant herein is an ISO, and if Participant sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Date of Grant, or (ii) the date one (1) year after the date of exercise, Participant will immediately notify the Company in writing of such disposition. Participant agrees that Participant may be subject to income tax withholding by the Company on the compensation income recognized by Participant.

(d) Code Section 409A. Under Code Section 409A, a stock right (such as the Option) that vests after December 31, 2004 (or that vested on or prior to such date but which was materially modified after October 3, 2004) that was granted with a per share exercise price that is determined by the Internal Revenue Service (the "IRS") to be less than the fair market value of an underlying share on the date of grant (a "discount option") may be considered "deferred compensation." A stock right that is a "discount option" may result in (i) income recognition by the recipient of the stock right prior to the exercise of the stock right, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The "discount option" may also result in additional state income, penalty and interest tax to the recipient of the stock right. Participant acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the fair market value of a Share on the date of grant in a later examination. Participant agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the fair market value of a Share on the date of grant, Participant shall be solely responsible for Participant's costs related to such a determination.

7. Rights as Shareholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a shareholder of the Company in respect of any Shares deliverable hereunder unless and until such Shares (which are in book entry form) will have been issued and delivered to Participant (including through electronic delivery to a brokerage account). Such issuance will occur by the execution of a deed of issuance to which the Company and Participant are each party, unless the Shares will be delivered into a brokerage account in the name of Participant, in which case the issuance will take place by a deed of issuance with due observance of the relevant requirements that may apply from time to time. After such issuance and delivery, Participant will have all the rights of a shareholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

8. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY REMAINING IN CONTINUING SERVICE STATUS, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW IS AT THE WILL OF THE COMPANY (OR THE SERVICE RECIPIENT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS OPTION AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS AN EMPLOYEE OR CONSULTANT FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE SERVICE RECIPIENT) TO TERMINATE PARTICIPANT'S CONTINUOUS SERVICE STATUS, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

9. Nature of Grant. In accepting the Option, Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;

(c) all decisions with respect to future option or other grants, if any, will be at the sole discretion of the Company;

(d) the grant of the Option and Participant's participation in the Plan shall not create a right to employment, other service relationship, or be interpreted as forming or amending an employment or service contract with the Company, the Service Recipient or any other Affiliate, Parent or Subsidiary, and shall not interfere with the ability of the Company, the Service Recipient or any other Affiliate, Parent or Subsidiary, as applicable, to terminate Participant's employment or other service relationship, if any;

(e) Participant is voluntarily participating in the Plan;

(f) the Option and any Shares acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the Option and Shares acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation for any purpose, including without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, leave-related payments, holiday pay, holiday top-up, pension or retirement or welfare benefits or similar mandatory payments;

(h) unless otherwise agreed with the Company or an Affiliate, the Option and the Shares underlying the Option, and the income from and value of same, are not granted as consideration for, or in connection with, the service Participant may provide as a director of an Affiliate, Parent or Subsidiary;

(i) the future value of the Shares underlying the Option is unknown, indeterminable, and cannot be predicted with certainty;

(j) if the underlying Shares do not increase in value, the Option will have no value;

(k) if Participant exercises the Option and acquires Shares, the value of such Shares may increase or decrease, even below the Exercise Price;

(l) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option or any underlying Shares resulting from (i) the application of any compensation recovery or clawback policy adopted by the Company or required by law, or (ii) the termination of Participant's Continuous Service Status (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or providing services or the terms of Participant's employment or service agreement, if any);

(m) unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by this Option Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(n) neither the Company nor any Service Recipient shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to Participant pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise.

10. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition

or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

11. **Data Privacy**. ***Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Option Agreement and any other Option grant materials by and among, as applicable, the Service Recipient, the Company and any other Affiliate, Parent or Subsidiary for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.***

Participant understands that the Company and the Service Recipient may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, email address, date of birth, social insurance number (to the extent permitted under Applicable Laws), passport or other identification number (e.g., resident registration number), salary, nationality, job title, any Shares or directorships held in the Company, details of all Options or any other entitlement to Shares or equivalent benefits awarded, canceled, purchased, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to such stock plan service provider(s) as may be selected by the Company (currently E*TRADE Financial Corporate Services, Inc., the brokerage firm engaged by the Company to hold participants' Shares and other amounts acquired under the Plan, and its affiliated companies) to assist with the implementation, administration, and management of the Plan. The recipients of Data may be located in the United States or elsewhere, and each recipient's country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of Data by contacting his or her local human resources representative. Participant authorizes the Company, any stock plan service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom Participant may elect to deposit any Shares received upon exercise of the Option. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her employment or service with the Service Recipient will not be affected; the only consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Options or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant may contact his or her local human resources representative.

Finally, Participant understands that the Company may rely on a different basis for the processing or transfer of Data in the future and/or request that Participant provide another data privacy consent. If applicable, Participant agrees that upon request of the Company or the Service Recipient, Participant will provide an executed acknowledgement or data privacy consent form (or any other agreements or consents) that the Company and/or the Service Recipient may deem necessary to obtain from Participant for the purpose of administering Participant's participation in the Plan in compliance with the data privacy laws in Participant's country, either now or in the future. Participant understands and agrees that he or she will not be able to participate in the Plan if he or she fails to provide any such consent or agreement requested by the Company and/or the Service Recipient.

12. Address for Notices. Any notice to be given to the Company under the terms of this Option Agreement will be addressed to the Company at Elastic N.V., 800 West El Camino Real, Suite 350, Mountain View, California 94040, or at such other address as the Company may hereafter designate in writing.

13. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant.

14. Successors and Assigns. The Company may assign any of its rights under this Option Agreement to single or multiple assignees, and this Option Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Option Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Option Agreement may only be assigned with the prior written consent of the Company.

15. Additional Conditions to Issuance of Stock. If at any time the Company determines, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any U.S. or non-U.S. state, federal or local law, including exchange control, tax or other Applicable Law or related regulations, or under the rulings or regulations of the United States Securities and Exchange Commission or any other U.S. or non-U.S. governmental regulatory body, or the clearance, consent or approval of the United States Securities and Exchange Commission or any other U.S. or non-U.S. governmental regulatory authority, is necessary or desirable as a condition to the purchase by, or issuance of Shares, to Participant (or his or her estate) hereunder, such purchase or issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval has been completed, effected or obtained free of any conditions not acceptable to the Company. Notwithstanding the foregoing, Participant understands that the Company is under no obligation to register, qualify or otherwise obtain clearance, consent or other approvals from any governmental authority or any stock exchange. Subject to the terms of the Option Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for Shares hereunder prior to the lapse of such reasonable period of time following the date of exercise of the Option as the Administrator may establish from time to time for reasons of administrative convenience.

16. Language. Participant acknowledges and represents that he or she is proficient in the English language or has consulted with an advisor who is sufficiently proficient in English, as to allow Participant to understand the terms of this Option Agreement and any other documents related to the Plan. If Participant has received this Option Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

17. Interpretation. The Administrator will have the power to interpret the Plan and this Option Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Shares subject to the Option have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Option Agreement.

18. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Option awarded under the Plan or future options that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any online or electronic system established and maintained by the Company or a third party designated by the Company.

19. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Option Agreement.

20. Agreement Severable. In the event that any provision in this Option Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Option Agreement.

21. Amendment, Suspension or Termination of the Plan. By accepting this Option, Participant expressly warrants that he or she has received an Option under the Plan, and has received, read, and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

22. Governing Law and Venue. This Option Agreement will be governed by the laws of Delaware, without giving effect to the conflict of law principles thereof; provided, however, that the corporate law aspects of issuance shall be governed by the laws of the Netherlands. For purposes of litigating any dispute that arises under this Option or this Option Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California, and agree that such litigation will be conducted in the courts of Santa Clara County, California, or the United States federal courts for the Northern District of California, and no other courts, where this Option is made and/or to be performed.

23. Country Addendum. Notwithstanding any provisions in this Option Agreement, this Option shall be subject to any special terms and conditions set forth in an appendix to this Option Agreement for any country whose laws are applicable to Participant and this Option (as determined by the Administrator in its sole discretion) (the "Country Addendum"). Moreover, if Participant relocates to one of the countries included in the Country Addendum, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum constitutes a part of this Option Agreement.

24. Modifications to the Agreement. This Option Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Option Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Option Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Option Agreement, the Company reserves the right to revise this Option Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Code Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A of the Code in connection with the Option.

25. No Waiver. Either party's failure to enforce any provision or provisions of this Option Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Option Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

26. Tax Consequences. Participant has reviewed with his or her own tax advisors the U.S. and non-U.S. federal, state, and local tax consequences of this investment and the transactions contemplated by this Option Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Option Agreement.

27. Insider Trading/Market Abuse Laws. Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including the United States and, if different, Participant's country, Participant's broker's country and/or the country in which Shares may be listed, if applicable, which may affect Participant's ability to accept or otherwise acquire, or sell, attempt to sell or otherwise dispose of, Shares or rights to Shares (e.g., the Option) under the Plan or rights linked to the value of Shares (e.g., phantom awards, futures) during such times as Participant is considered to have "inside information" regarding the Company (as defined by the laws or

regulations in the applicable jurisdiction) or the trade in Shares or the trade in rights to Shares under the Plan. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Participant placed before possessing inside information. Furthermore, Participant could be prohibited from (1) disclosing the inside information to any third party and (2) "tipping" third parties or otherwise causing them to buy or sell Company securities; "third parties" includes fellow employees or service providers. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable company insider trading policy. It is Participant's responsibility to comply with any applicable restrictions and Participant should speak to a personal advisor on this matter.

28. Foreign Asset/Account Reporting Requirements And Exchange Controls. Certain foreign asset and/or foreign account reporting requirements and exchange controls may affect Participant's ability to acquire or hold Shares purchased under the Plan or cash received from participating in the Plan (including from any dividends paid on or sales proceeds arising from the sale of Shares acquired under the plan) in a brokerage or bank account outside Participant's country. Participant may be required to report such accounts, assets or transactions to the tax or other authorities in Participant's country and/or to repatriate sale proceeds or other funds received as a result of participation in the Plan to Participant's country through a designated bank or broker within a certain time after receipt. It is Participant's responsibility comply with such regulations, and Participant should consult a personal legal advisor for any details.

Elastic N.V.
AMENDED AND RESTATED 2012 STOCK OPTION PLAN
STOCK OPTION AGREEMENT
COUNTRY ADDENDUM

Capitalized terms used but not otherwise defined herein shall have the meaning given to such terms in the Plan, the Notice of Stock Option Grant or the Terms and Conditions of Stock Option Grant, as applicable.

Terms and Conditions

This Country Addendum includes additional terms and conditions that govern the Option granted to Participant under the Plan if Participant resides and/or works in one of the countries listed below. If Participant is a citizen or resident of a jurisdiction (or is considered as such for local law purposes) other than the one in which he or she is currently residing and/or working or if Participant relocates to another jurisdiction after receiving the Option, the Company will, in its sole discretion, determine the extent to which the terms and conditions contained herein will be applicable to Participant.

Notifications

This Country Addendum also includes notifications relating to exchange control and certain other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries as of [date]. Such laws are often complex and change frequently. As a result, Participant should not rely on the notifications in this Country Addendum as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date at the time Participant exercises the Option or sells Shares acquired under the Plan.

In addition, the notifications herein are general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's jurisdiction may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a jurisdiction other than the one(s) in which Participant is currently residing and/or working or if Participant moves to another jurisdiction after the Option is granted, the information contained herein may not be applicable to Participant in the same manner.

EXHIBIT B

ELASTIC N.V.

AMENDED AND RESTATED 2012 STOCK OPTION PLAN

EXERCISE NOTICE

Elastic N.V.
800 West El Camino Real, Suite 350
Mountain View, California 94040

Attention: Stock Administration

Exercise of Option. Effective as of today, _____, _____, the undersigned ("Subscriber") hereby elects to purchase _____ shares (the "Shares") of the Ordinary Shares of Elastic N.V. (the "Company") under and pursuant to the Amended and Restated 2012 Stock Option Plan (the "Plan") and the Stock Option Agreement, dated _____ and including the Notice of Grant, the Terms and Conditions of Stock Option Grant, and exhibits attached thereto (the "Option Agreement"). The purchase price for the Shares will be $_____, as required by the Option Agreement. It is understood that the issuance of the Shares requires a resolution of the Company's general meeting of shareholders. Following such resolution being adopted, the Company shall deliver to Subscriber the Shares to be subscribed for by Subscriber against payment of the subscription price therefor by Subscriber. The Company shall issue the Shares in accordance with the Option Agreement.

Delivery of Payment. Subscriber herewith delivers to the Company the full purchase price of the Shares and any Tax Obligations (as defined in Section 6(a) of the Option Agreement) to be paid in connection with the exercise of the Option.

Representations of Subscriber. Subscriber acknowledges that Subscriber has received, read and understood the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

Rights as Shareholder. Until the issuance (as evidenced by a notarial deed of issuance executed before a Dutch civil law notary to which deed the Company and the Subscriber are each a party and, following execution of the notarial deed of issuance, the appropriate entry on the Company's shareholders register) of the Shares, no right to vote or receive dividends or any other rights as a shareholder will exist with respect to the Shares subject to the Option, notwithstanding the exercise of the Option. The Shares so acquired will be issued to Subscriber as soon as practicable after exercise of the Option, subject to the requirements of Section 1. No adjustment will be made for a dividend or other right for which the record date is prior to the date of issuance, except as provided in Section 14 of the Plan.

Tax Consultation. Subscriber understands that Subscriber may suffer adverse tax consequences as a result of Subscriber's purchase or disposition of the Shares. Subscriber represents that Subscriber has consulted with any tax consultants Subscriber deems advisable in connection with the purchase or disposition of the Shares and that Subscriber is not relying on the Company for any tax advice.

Entire Agreement; Governing Law. The Plan and Option Agreement are incorporated herein by reference. This Exercise Notice, the Plan and the Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Subscriber with respect to the subject matter hereof, and may not be modified adversely to the Subscriber's

interest except by means of a writing signed by the Company and Subscriber. This Option Agreement is governed by the internal substantive laws, but not the choice of law rules, of Delaware; provided that, however, that the corporate law aspects of the issuance shall be governed by the laws of the Netherlands.

Submitted by: Accepted by:

SUBSCRIBER	ELASTIC N.V.
Signature	Signature
Print Name	Print Name
	Title
Address:	
	Date received

ELASTIC N.V.
AMENDED AND RESTATED 2012 STOCK OPTION PLAN
RESTRICTED STOCK UNIT AGREEMENT

NOTICE OF RESTRICTED STOCK UNIT GRANT

Unless otherwise defined herein, the terms defined in the Elastic N.V. Amended and Restated 2012 Stock Option Plan (the "Plan") will have the same defined meanings in this Restricted Stock Unit Agreement, which includes the Notice of Restricted Stock Unit Grant (the "Notice of Grant"), the Terms and Conditions of Restricted Stock Unit Grant attached hereto as Exhibit A, including any additional terms and conditions for Participant's country set forth in the country addendum thereto (the "Country Addendum"), and all other exhibits and appendices attached hereto (all together, the "Award Agreement").

Participant:

Address: «Address»

The undersigned Participant has been granted the right to receive an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Restricted Stock Units:	_____

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan or set forth below, the Restricted Stock Units will vest in accordance with the following schedule:

[Insert vesting schedule**]**

In the event Participant's Continuous Service Status ceases for any or no reason before Participant vests in the Restricted Stock Units, the Restricted Stock Units and Participant's right to acquire any Shares hereunder will immediately terminate.

For purposes of the Restricted Stock Units, Participant's Continuous Service Status will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Affiliate, Parent or Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or providing services or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is employed or providing services or the terms of Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time). Actively providing services during only a portion of the vesting period prior to a vesting date shall not entitle Participant to vest in a pro-rata portion of the unvested Restricted Stock Units that would have vested as of such vesting date, nor will it entitle Participant to any compensation for the lost vesting. The

Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the Restricted Stock Units grant (including whether Participant may still be considered to be providing services while on a leave of absence).

By Participant's signature and the signature of the representative of Elastic N.V. (the "Company") below, Participant and the Company agree that this Award of Restricted Stock Units is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Unit Grant and the Country Addendum, attached hereto as Exhibit A, all of which are made a part of this document. Participant acknowledges receipt of a copy of the Plan. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement, and fully understands all provisions of the Plan and this Award Agreement. Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

By accepting this Award Agreement, Participant expressly consents to the sale of Shares to cover the Tax Withholding Obligations (as defined in the Terms and Conditions of Restricted Stock Unit Grant) arising from the Restricted Stock Units and any associated broker or other fees and agrees and acknowledges that, subject to Applicable Laws, Participant may not satisfy them by any means other than such sale of Shares, unless required to do so by the Administrator or pursuant to the Administrator's express written consent.

If this Award Agreement is not executed by Participant prior to the date that any Restricted Stock Units subject to this Award Agreement become vested, the Company will deem Participant to have accepted all of the terms and conditions of the Plan and this Award Agreement as of such vesting date.

PARTICIPANT	ELASTIC N.V.
_____	_____
Signature	Signature
_____	_____
Print Name	Print Name
	_____
	Title
Address:	
_____	
_____	

EXHIBIT A

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT

1. Grant of Restricted Stock Units. The Company hereby grants to the individual (the "Participant") named in the Notice of Restricted Stock Unit Grant that forms part of this Award Agreement (the "Notice of Grant") under the Plan an Award of Restricted Stock Units, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 17 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. Company's Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3 or 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. Vesting Schedule. Except as provided in Section 4, and subject to Section 5, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting schedule set forth in the Notice of Grant, subject to Participant remaining in Continuous Service Status through each applicable vesting date, with Continuous Service Status determined as described in the Notice of Grant.

4. Payment after Vesting.

(a) General Rule. Subject to Section 8, any Restricted Stock Units that vest will be paid to Participant (or in the event of Participant's death, to his or her properly designated beneficiary or estate) in whole Shares. Subject to the provisions of Section 4(b), such vested Restricted Stock Units shall be paid in whole Shares as soon as practicable after vesting, but in each such case within sixty (60) days following the vesting date. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of payment of any Restricted Stock Units payable under this Award Agreement.

(b) Acceleration.

(i) Discretionary Acceleration. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Administrator. If Participant is subject to taxation in the U.S., the payment of Shares vesting pursuant to this Section 4(b) shall in all cases be paid at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(ii) Notwithstanding anything in the Plan or this Award Agreement or any other agreement (whether entered into before, on or after the Date of Grant), if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in connection with the termination of Participant's Continuous Service Status (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to Participant's death, and if (x) Participant is subject to taxation in the U.S. and a "specified employee" within the meaning of Section 409A at the time of such termination of Continuous Service Status and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following the termination of Participant's Continuous Service Status, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of termination of Participant's Continuous Service Status, unless Participant dies following the termination of his or her Continuous Service Status, in which case, the Restricted Stock Units will be paid in Shares to Participant's estate as soon as practicable following his or her death.

(c) Section 409A. It is the intent of this Award Agreement that it and all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. Each payment payable under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). However, in no event will the Company reimburse Participant, or be otherwise responsible for, any taxes or costs that may be imposed on Participant as a result of Section 409A. For purposes of this Award Agreement, "Section 409A" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

5. Forfeiture Upon Termination of Continuous Service Status. Notwithstanding any contrary provision of this Award Agreement, if Participant's Continuous Service Status ceases for any or no reason, the then-unvested Restricted Stock Units awarded by this Award Agreement will thereupon be forfeited at no cost to the Company and Participant will have no further rights thereunder. The date that Continuous Service Status terminates will be determined as described in the Notice of Grant.

6. Tax Consequences. Participant has reviewed with his or her own tax advisors the U.S. and non-U.S. federal, state, and local tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

7. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, provided the beneficiary designation is valid under Applicable Laws and permitted by the Company for Participant's jurisdiction, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

8. Tax Obligations

(a) Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, the Affiliate, Parent or Subsidiary to which Participant is providing services (the "Service Recipient"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, including, without limitation, (i) all U.S. and non-U.S. federal, state, and local taxes (including Participant's U.S. Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company or the Service Recipient or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (ii) Participant's and, to the extent required by the Company (or Service Recipient), the Company's (or Service Recipient's) fringe benefit tax liability, if any, associated with the grant, vesting, or settlement of the Restricted Stock Units or sale of Shares, and (iii) any other Company (or Service Recipient) taxes the responsibility for which Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or settlement thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is and remains Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Service Recipient. Participant further acknowledges that the Company and/or the Service Recipient (A) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (B) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction, Participant acknowledges that the Company and/or the Service Recipient (or former service recipient, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the

applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares.

(b) Tax Withholding and Default Sell-to-Cover Method of Tax Withholding. When Shares are issued as payment for vested Restricted Stock Units, Participant generally will recognize immediate U.S. taxable income if Participant is subject to taxation in the U.S. If Participant is subject to taxation in any other jurisdiction, Participant will be subject to applicable taxes, if any, in such jurisdiction at the time of the taxable event, as determined under local law. Subject to Section 8(c) and Applicable Laws, the amount of Tax Obligations which the Company determines must be withheld with respect to this Award ("Tax Withholding Obligation") will be satisfied by Shares being sold on Participant's behalf at the prevailing market price pursuant to such procedures as the Administrator may specify from time to time, including through a broker-assisted arrangement (it being understood that the Shares to be sold must have vested pursuant to the terms of this Award Agreement and the Plan) (the "Sell-to-Cover Method"). The proceeds from the Sell-to-Cover Method will be used to satisfy Participant's Tax Withholding Obligation arising with respect to this Award. In addition to Shares sold to satisfy the Tax Withholding Obligation, additional Shares will be sold to satisfy any associated broker or other fees. Only whole Shares will be sold through the Sell-to-Cover Method to satisfy any Tax Withholding Obligation and any associated broker or other fees. Any proceeds from the sale of Shares in excess of the Tax Withholding Obligation and any associated broker or other fees generated through the Sell-to-Cover Method will be paid to Participant in accordance with procedures the Company may specify from time to time. **By accepting this Award, Participant expressly consents to the sale of Shares to cover the Tax Withholding Obligations (and any associated broker or other fees) through the Sell-to-Cover Method and agrees and acknowledges that, subject to Applicable Laws, Participant may not satisfy them by any means other than such sale of Shares, unless required to do so by the Administrator or pursuant to the Administrator's express written consent.**

(c) Administrator Discretion. Notwithstanding the foregoing Sections 8(a) and 8(b), if the Administrator determines it is in the best interests of the Company for Participant to satisfy Participant's Tax Withholding Obligation by a method other than through the default Sell-to-Cover Method described in Section 8(b), it may permit or require Participant to satisfy Participant's Tax Withholding Obligation, in whole or in part (without limitation), if permissible by Applicable Laws, by (i) paying cash, (ii) withholding the amount of such Tax Withholding Obligation from Participant's wages or other cash compensation paid to Participant by the Company and/or the Service Recipient, (iii) if Participant is a U.S. employee, delivering to the Company Shares that Participant owns and that have vested with a fair market value equal to the amount required to be withheld (or such other amount, up to the maximum withholding rate in Participant's country, determined by the Administrator and provided such other amount would not result in adverse financial accounting consequences to the Company as determined by the Administrator), (iv) by having the Company withhold otherwise deliverable Shares having a fair market value equal to the amount required to be withheld (or such other amount, up to the maximum withholding rate in Participant's country, determined by the Administrator and provided such other amount would not result in adverse financial accounting consequences to the Company as determined by the Administrator), and, unless the Administrator provides otherwise, this will be the default method for satisfying Participant's Tax Withholding Obligations if Participant has not executed this Award Agreement or otherwise failed to take actions necessary to facilitate the Sell-to-Cover Method prior to the date that any Restricted Stock Units under this Award Agreement become vested, or (v) such other means as the Administrator deems appropriate.

(d) Company's Obligation to Deliver Shares. For clarification purposes, in no event will the Company issue Participant any Shares unless and until arrangements satisfactory to the Administrator have been made for the payment of Participant's Tax Withholding Obligation. If Participant fails to make satisfactory arrangements for the payment of such Tax Withholding Obligations hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4 or Participant's Tax Withholding Obligations otherwise become due, Participant will permanently forfeit such Restricted Stock Units to which Participant's Tax Withholding Obligation relates and any right to receive Shares thereunder and such Restricted Stock Units will be returned to the Company at no cost to the Company. Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares if such Tax Obligations are not delivered at the time they are due.

9. Rights as Shareholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a shareholder of the Company in respect of any Shares deliverable hereunder

unless and until such Shares (which are in book entry form) will have been issued and delivered to Participant (including through electronic delivery to a brokerage account). Such issuance will occur by the execution of a deed of issuance to which the Company and Participant are each party, unless the Shares will be delivered into a brokerage account in the name of Participant, in which case the issuance will take place by a deed of issuance with due observance of the relevant requirements that may apply from time to time. After such issuance and delivery, Participant will have all the rights of a shareholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

10. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY REMAINING IN CONTINUOUS SERVICE STATUS, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW IS AT THE WILL OF THE COMPANY (OR THE SERVICE RECIPIENT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK UNIT AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS AN EMPLOYEE OR CONSULTANT FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE SERVICE RECIPIENT) TO TERMINATE PARTICIPANT'S CONTINUOUS SERVICE STATUS, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

11. Grant is Not Transferable. Except to the limited extent provided in Section 7, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

12. Nature of Grant. In accepting the grant, Participant acknowledges, understands, and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Restricted Stock Units is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(c) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Company;

(d) the grant of the Restricted Stock Units and Participant's participation in the Plan shall not create a right to employment, other service relationship, or be interpreted as forming or amending an employment or service contract with the Company, the Service Recipient or any other Affiliate, Parent or Subsidiary, and shall not interfere with the ability of the Company, the Service Recipient or any other Affiliate, Parent or Subsidiary, as applicable, to terminate Participant's employment or other service relationship, if any;

(e) Participant is voluntarily participating in the Plan;

(f) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not part of normal or expected compensation for any purpose, including without

limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, leave-related payments, holiday pay, holiday top-up, pension or retirement or welfare benefits or similar mandatory payments;

(h) unless otherwise agreed in writing with the Company, the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income from and value of same, are not granted as consideration for, or in connection with, the service Participant may provide as a director of an Affiliate, Parent or Subsidiary;

(i) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units or any underlying Shares resulting from (i) the application of any compensation recovery or clawback policy adopted by the Company or required by law, or (ii) the termination of Participant's Continuous Service Status (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is employed or providing services or the terms of Participant's employment or service agreement, if any);

(k) unless otherwise provided in the Plan or by the Company in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(l) neither the Company nor the Service Recipient or any other Affiliate, Parent or Subsidiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the United States Dollar that may affect the value of the Restricted Stock Units or of any amounts due to Participant pursuant to the settlement of the Restricted Stock Units or the subsequent sale of any Shares acquired upon settlement.

13. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

14. ***Data Privacy. Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement and any other Restricted Stock Unit grant materials by and among, as applicable, the Service Recipient, the Company and any other Affiliate, Parent or Subsidiary for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.***

Participant understands that the Company and the Service Recipient may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, email address, date of birth, social insurance number (to the extent permitted under Applicable Laws), passport or other identification number (e.g., resident registration number), salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares or equivalent benefits awarded, canceled, purchased, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to such stock plan service provider(s) as may be selected by the Company (currently E*TRADE Financial Corporate Services, Inc., the brokerage firm engaged by the Company to hold participants' Shares and other amounts acquired under the Plan, and its affiliated companies (collectively, "the Designated Broker")) to assist with the implementation, administration, and management of the Plan. The recipients of Data may be located in the United States or elsewhere, and each recipient's country of operation (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if he or she resides outside the United States, he or she may request a list with the names

and addresses of any potential recipients of Data by contacting his or her local human resources representative. Participant authorizes the Company, any stock plan service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom Participant may elect to deposit any Shares received upon vesting of the Restricted Stock Units. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that if he or she resides outside the United States, he or she may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, his or her employment or service with the Service Recipient will not be affected; the only consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant may contact his or her local human resources representative.

Finally, Participant understands that the Company may rely on a different basis for the processing or transfer of Data in the future and/or request that Participant provide another data privacy consent. If applicable, Participant agrees that upon request of the Company or the Service Recipient, Participant will provide an executed acknowledgement or data privacy consent form (or any other agreements or consents) that the Company and/or the Service Recipient may deem necessary to obtain from Participant for the purpose of administering Participant's participation in the Plan in compliance with the data privacy laws in Participant's country, either now or in the future. Participant understands and agrees that he or she will not be able to participate in the Plan if he or she fails to provide any such consent or agreement requested by the Company and/or the Service Recipient.

15. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at Elastic N.V., 800 West El Camino Real, Suite 350, Mountain View, California 94040 or at such other address as the Company may hereafter designate in writing.

16. Electronic Delivery and Participation. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any online or electronic system established and maintained by the Company or a third party designated by the Company.

17. No Waiver. Either party's failure to enforce any provision or provisions of this Award Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Award Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

18. Successors and Assigns. The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may only be assigned with the prior written consent of the Company.

19. Additional Conditions to Issuance of Shares. If at any time the Company determines, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any

U.S. or non-U.S. state, federal or local law, including exchange control, tax or other Applicable Laws or related regulations, or under the rulings or regulations of the United States Securities and Exchange Commission or any other U.S. or non-U.S. governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other U.S. or non-U.S. governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval has been completed, effected or obtained free of any conditions not acceptable to the Company. Notwithstanding the foregoing, Participant understands that the Company is under no obligation to register, qualify or otherwise obtain clearance, consent or other approvals from any governmental authority or any stock exchange. Subject to the terms of the Award Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of the Restricted Stock Units as the Administrator may establish from time to time for reasons of administrative convenience.

20. Language. Participant acknowledges and represents that he or she is proficient in the English language or has consulted with an advisor who is sufficiently proficient in English, as to allow Participant to understand the terms of this Award Agreement and any other documents related to the Plan. If Participant has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

21. Interpretation. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Award Agreement.

22. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

23. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read, and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

24. Modifications to the Award Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to impose other requirements on Participant's participation in the Plan, on the Restricted Stock Units and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Further,the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award of Restricted Stock Units.

25. Governing Law; Venue; Severability. This Award Agreement and the Restricted Stock Units are governed by the internal substantive laws, but not the choice of law rules, of Delaware; provided, however, that the corporate law aspects of issuance shall be governed by the laws of the Netherlands. For purposes of litigating any dispute that arises under these Restricted Stock Units or this Award Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California, and agree that such litigation will be conducted in the courts of Santa Clara County, California, or the United States federal courts for the Northern District of California, and no other

courts, where this Award Agreement is made and/or to be performed. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Award Agreement shall continue in full force and effect.

26. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the appendices and exhibits referenced herein) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and, subject to Section 24 hereof, may not be modified adversely to Participant's interest except by means of a writing signed by the Company and Participant.

27. Country Addendum. Notwithstanding any provisions in this Award Agreement, the Restricted Stock Unit grant shall be subject to any special terms and conditions set forth in an appendix to this Award Agreement for any country whose laws are applicable to Participant and this Award of Restricted Stock Units (as determined by the Administrator in its sole discretion) (the "Country Addendum"). Moreover, if Participant relocates to one of the countries included in the Country Addendum, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum constitutes part of this Award Agreement.

28. Insider Trading/Market Abuse Laws. Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, including the United States and, if different, Participant's country, Participant's broker's country and/or the country in which Shares may be listed, if applicable, which may affect Participant's ability to accept or otherwise acquire, or sell, attempt to sell or otherwise dispose of, Shares or rights to Shares (e.g., Restricted Stock Units) under the Plan or rights linked to the value of Shares (e.g., phantom awards, futures) during such times as Participant is considered to have "inside information" regarding the Company (as defined by the laws or regulations in the applicable jurisdiction) or the trade in Shares or the trade in rights to Shares under the Plan. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Participant placed before possessing inside information. Furthermore, Participant could be prohibited from (1) disclosing the inside information to any third party and (2) "tipping" third parties or otherwise causing them to buy or sell Company securities; "third parties" includes fellow employees or service providers. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable company insider trading policy. It is Participant's responsibility to comply with any applicable restrictions and Participant should speak to a personal advisor on this matter.

29. Foreign Asset/Account Reporting Requirements And Exchange Controls. Certain foreign asset and/or foreign account reporting requirements and exchange controls may affect Participant's ability to acquire or hold Shares acquired under the Plan or cash received from participating in the Plan (including from any dividends paid on or sales proceeds arising from the sale of Shares acquired under the plan) in a brokerage or bank account outside Participant's country of residence. Participant may be required to report such accounts, assets or transactions to the tax or other authorities in Participant's country and/or to repatriate sale proceeds or other funds received as a result of participation in the Plan to Participant's country through a designated bank or broker within a certain time after receipt. It is Participant's responsibility to be aware of and comply with such regulations, and Participant should consult a personal legal advisor for any details.

ELASTIC N.V.
AMENDED AND RESTATED 2012 STOCK OPTION PLAN
RESTRICTED STOCK UNIT AGREEMENT
COUNTRY ADDENDUM

Capitalized terms used but not otherwise defined herein shall have the meaning given to such terms in the Plan, the Notice of Restricted Stock Unit Grant or the Terms and Conditions of Restricted Stock Unit Grant, as applicable.

Terms and Conditions

This Country Addendum includes additional terms and conditions that govern the Award of Restricted Stock Units granted to Participant under the Plan if Participant resides and/or works in one of the countries listed below. If Participant is a citizen or resident of a jurisdiction (or is considered as such for local law purposes) other than the one(s) in which he or she is currently residing and/or working or if Participant relocates to another jurisdiction after receiving the Award of Restricted Stock Units, the Company will, in its sole discretion, determine the extent to which the terms and conditions contained herein will be applicable to Participant.

Notifications

This Country Addendum also includes notifications relating to exchange control and certain other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the respective countries listed in this Country Addendum, as of [date]. Such laws are often complex and change frequently. As a result, Participant should not rely on the notifications in this Country Addendum as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date at the time Participant vests in the Restricted Stock Units and acquires Shares, or when Participant subsequently sell Shares acquired under the Plan.

In addition, the notifications herein are general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's jurisdiction may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a jurisdiction other than the one(s) in which Participant is currently residing and/or working or if Participant moves to another jurisdiction after receiving the Award of Restricted Stock Units, the information contained herein may not be applicable to Participant in the same manner.

Exhibit 31.1

Certification by the Principal Executive Officer pursuant to
Securities Exchange Act Rules 13a-14(a) and 15d-14(a)
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Ashutosh Kulkarni, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Elastic N.V. (the "registrant") for the fiscal quarter ended January 31, 2022;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 10, 2022

By: /s/ Ashutosh Kulkarni

Name: Ashutosh Kulkarni
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification by the Principal Financial Officer pursuant to
Securities Exchange Act Rules 13a-14(a) and 15d-14(a)
as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Janesh Moorjani, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Elastic N.V. (the "registrant") for the fiscal quarter ended January 31, 2022;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 10, 2022

By: /s/ Janesh Moorjani
Name: Janesh Moorjani
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Ashutosh Kulkarni, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Elastic N.V. for the fiscal quarter ended January 31, 2022 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Elastic N.V.

Date: March 10, 2022

By: /s/ Ashutosh Kulkarni

Name: Ashutosh Kulkarni
Title: Chief Executive Officer
(Principal Executive Officer)

This certification accompanies the Quarterly Report, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Elastic N.V. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Quarterly Report on Form 10-Q), irrespective of any general incorporation language contained in such filing.

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Janesh Moorjani, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Elastic N.V. for the fiscal quarter ended January 31, 2022 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Elastic N.V.

Date: March 10, 2022

By: /s/ Janesh Moorjani

Name: Janesh Moorjani

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)

This certification accompanies the Quarterly Report, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Elastic N.V. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Quarterly Report on Form 10-Q), irrespective of any general incorporation language contained in such filing.