Investor Presentation and Company Overview

First Quarter Fiscal 2022
Forward Looking Statements and Non-GAAP Disclaimer

This presentation and the accompanying oral presentation contain forward-looking statements that involve substantial risk and uncertainties, which include, but are not limited to, statements regarding our future results of operations and financial position, including our expectations regarding demand for our products and solutions and our future revenue; financial targets; business strategy; plans and objectives for expansion and future operations; our licensing and pricing models; our assessments of our competitive advantages and the strength of our solutions and products; the effectiveness of our go-to-market and growth strategies, including the positioning of our solutions and products, assessments of new and existing customers’ reasons for selecting our solutions and products, and anticipated benefits from our strategic partnerships; new enhancements to our existing products and services or plans for future products; the expected performance or benefits of our offerings; our customer base; estimates of our potential addressable market and growth opportunities and our ability to address those opportunities; and our expectations regarding revenue mix, our ability to grow our business, the drivers of growth and the benefits of our investments. These forward-looking statements are subject to the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. Our expectations and beliefs in light of currently available information regarding these matters may not materialize. Actual outcomes and results may differ materially from those contemplated by these forward-looking statements due to uncertainties, risks, and changes in circumstances, including but not limited to those related to: 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 develop new offerings, including security-related product and Elastic Cloud offerings; customer acceptance and purchase of our existing offerings and new offerings, including the expansion and adoption of our Elastic Cloud offerings; our inability to realize value from investments in the business, including R&D investments; our ability to maintain and expand our user and customer base; the impact of the COVID-19 pandemic on the macroeconomic environment, on our business, operations, hiring and financial results, and on businesses of our customers and partners, including their spending priorities, the effect of lockdowns, restrictions and new regulations; the impact of our licensing model on the use and adoption of our software; the impact of foreign currency exchange rate and interest rate fluctuations on our results; our international expansion strategy; our operating results and cash flows; our beliefs and objectives for future operations; the sufficiency of our capital resources; our ability to successfully execute our go-to-market strategy and expand in our existing markets and into new markets, and our ability to forecast customer retention and expansion; and general market, political, economic and business conditions.

Additional risks and uncertainties that could cause actual outcomes and results to differ materially are included in our filings with the Securities and Exchange Commission (the “SEC”), including our Annual Report on Form 10-K for the fiscal year ended April 30, 2020 and any subsequent reports filed with the SEC. SEC filings are available on the Investor Relations section of Elastic’s website at ir.elastic.co and the SEC’s website at www.sec.gov. Elastic assumes no obligation to, and does not currently intend to, update any such forward-looking statements, except as required by law.

In addition to GAAP financial information, this presentation and the accompanying oral presentation include certain non-GAAP financial measures. See the Appendix for a reconciliation of all historical non-GAAP financial measures to their nearest GAAP equivalent.
Elastic at a Glance (NYSE: ESTC)

Founded 2012

- **Revenue**: $193M
- **Market Capitalization**: ~$14B
- **Countries with Employees**: 35+
- **Employees**: 2,200+
- **Free Cash Flow**: $12.4M
- **Revenue from outside the U.S.**: 47%

Subscription Customers: >16,000

As of Q1 FY22

1As of August 25, 2021

- **Large, Diverse User and Customer Base**
  Customer penetration: 48% Fortune 500, 34% Forbes 2000

- **Diverse Deployment Model - On-premise, hybrid, public cloud**
  66% of total revenue Self-Managed, 34% YoY growth
  27% of total revenue Cloud; 80% YoY growth

- **Strong Customer Growth**
  >15,000 Subscription Customers; >730 customers with ACV >$100K; >75 customers with ACV >$1M

- **Secular Tailwinds Driving Significant Opportunity**
  $78B TAM in 2021

- **High Recurring Revenue Model**
  Total Revenue: $608.5M; 42% YoY growth
  Subscription Revenue: 93% of total; 45% YoY growth

- **Strong Expansion Motion with Multiple Levers**
  Multiple expansion motions drive high Net Expansion Rate of ~130% 

- **Sustainable Competitive Differentiation**
  Monetization model is based on subscriptions that provide proprietary features and support

- **Experienced, Founder-led Team**
  Strong conviction to build a long-lasting company

As of FY21
We are a search company.
We all know search as a search box that we see on our favorite app or website ...
but search is so much more

Search finds insights across your enterprise apps and content repositories to improve employee productivity and satisfaction.

Search discovers insights from within your enterprise systems, applications, and infrastructure to drive operational efficiencies.

Search correlates insights within your security data, networks, and endpoints to protect your organization and thwart attacks.
our TAM

Source: IDC
- WW AI-enabled Search Software Forecast 2020-2024
- WW Business Analytics Software Forecast 2020-2024
- WW IT Operations Management Software Forecast 2020-2024
- WW Device Vulnerability Management Forecast 2020-2024
- WW Security-as-a-Service Forecast 2020-2024
- WW Corporate Endpoint Security Software Forecast 2020-2024
- WW SIEM Forecast 2020-2024
- WW Business Analytics Software Forecast 2020-2024
Customers across various industries, segments, and geographies

<table>
<thead>
<tr>
<th>Technology</th>
<th>Finance</th>
<th>Telco</th>
<th>Consumer</th>
<th>Healthcare</th>
<th>Public Sector</th>
<th>Automotive/Transportation</th>
<th>Retail/Ecommerce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adobe</td>
<td>BARCLAYS</td>
<td>orange</td>
<td>Uber</td>
<td>OPTUM</td>
<td>NCIS</td>
<td>AIRBUS</td>
<td>Walmart</td>
</tr>
<tr>
<td>CISCO</td>
<td>ZURICH</td>
<td>COX</td>
<td>General Mills</td>
<td>MERCK</td>
<td>United States Census Bureau</td>
<td>Audi</td>
<td>Etsy</td>
</tr>
<tr>
<td>shopify</td>
<td>USAA</td>
<td>T Mobile</td>
<td>NETFLIX</td>
<td>UCLA Health</td>
<td>GSA</td>
<td>VOLVO</td>
<td>instacart</td>
</tr>
<tr>
<td>Microsoft</td>
<td>Citi</td>
<td>verizon</td>
<td>ACTIVISION</td>
<td>MAYO CLINIC</td>
<td>JPL</td>
<td>Volkswagen</td>
<td>Kroger</td>
</tr>
<tr>
<td>workday</td>
<td>ING</td>
<td>AT&amp;T</td>
<td>Lyft</td>
<td>Pfizer</td>
<td>U.S. AIR FORCE</td>
<td>CSX</td>
<td>Walgreens</td>
</tr>
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<td>elastic</td>
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</table>
Powerful Business Model with Strong Network Effects

Multiple Expansion Levers
- More data sources & volume
- More projects for the same solution across an enterprise
- More solutions adopted

Technology Differentiation
- Solving problems from a unified search lens
- Speed, scale, and relevance
- 3 solutions, a single stack

Compelling Commercial Model
- Proprietary features deliver significant value
- Low-friction, resource-based pricing model
- Strong new customer acquisition
- Free Basic features become paid in Cloud

Massive Adoption
- Basic tier drives massive adoption of proprietary, free features
Large Market Opportunity with Many Growth Levers

- Large Total Addressable Market
- Rapid pace of new customer additions driven by paid features and support
- Robust growth in Elastic Cloud
- Demonstrated track record of strong expansion: more data, more projects, more solutions
- Solutions driving expansion with significant growth opportunity
Powerful Engine for New Customer Growth

- Massive frictionless adoption through free and open tier (proprietary features)
- Nurture campaigns in marketing
- Self-service on-ramp for SaaS
  - Monthly payments
  - No commitment
- Paid features and Support drive customer growth
  - All features monetized in SaaS (no free tier)
- Expanding sales coverage driving annual subscriptions - Cloud and Self-managed
- Single pricing model
Levers to Drive Expansion

Projects Grow
- More data
- More sources of data
- Upsell to higher tiers

More Projects for Same Solution
- Expand across the enterprise
- Upsell to higher tiers

More Solutions
- Extend across Enterprise Search, Observability, Security
- Upsell to higher tiers
We aim to enable every organization in the world to utilize the power of search across their data to instantly find relevant insights and take action.
power of community

- Millions of developers; drives a developer mindshare movement
- Creates a strong top of the funnel foundation
- Facilitates bottom up adoption within enterprises
- Generates an entry point into new markets and geos
- >150K meetup members, 263 global groups

- netpanda Panda face
  @davidban77
  So I did a proof of concept instrumenting my python application that collects network infrastructure data with the @elastic APM and its python agent, and it went really well!

- Jakub Ziolkowski  @JakubZiolkowski
  I took my first steps with @elastic today and it’s amazing what you can do with data there

- gabriel boorse  @gnboorse
  Really loving #Elasticsearch right now. @elastic That’s it. That’s the tweet.

- Liepp Fania  @Octt
  Really awesome work in the UI for @elastic. These changes allow for easier reading of information as well as an overall better experience.

- Artem Russakovskii  @ArtemR
  @elastic is amazing - now raw search queries take 3-10ms.

- Grant Visser  @ICantSeeSharp
  Yo. @elastic Application Performance Metrics are literally magic.
power of a single stack

- Organizations get leverage across multiple use cases and teams
- A unified foundation for solutions
- Accelerates feature velocity
power of open

- Apache 2.0-licensed source code is now dual-licensed (Elastic License v2 or SSPL)
- Elastic License v2 is simplified and more permissive
- Our community and customers continue to have free and open access to use, modify, redistribute, and collaborate on the code
- Further protects our continued investments and extends our competitive differentiation
- Does not impact customers or the vast majority of users
power of cloud and hybrid

- Ease of use, turnkey SaaS, consumption-based
- Provides customers with data gravity and locality
- Support for customer data privacy regulations
- Multi-cloud support with native integration (billing/marketplace)
- 46 cloud regions; 4x from FY19
- Support for cloud and on-premises deployments with ECE an ECK
Elastic Cloud is available and integrated with every major cloud provider.
Growth Drivers for Elastic Cloud

- Customer Preference
- Differentiated Solutions
- Rich Proprietary Features
- Partnerships
- Expanding Investments, Locations
Investing in Global Cloud Regions Coverage

- **Americas**
  - 18 regions

- **EMEA**
  - 14 regions

- **APJ**
  - 14 regions

*As of Q1 FY22*
power of solutions

- Solves specific business problems with ease of use
- Built into the Elastic Stack
- Single, unified experience across all solutions
Enterprise Search
Search everything, anywhere.

Site Search
Workplace Search
Application Search
Ecommerce Search
Customer Support Search
Every business today is an online business.

Search drives improved user experiences and increased conversions

Search enables new monetization models and app stickiness

Search increases employee productivity across internal docs and applications

Customers want ...

Powerful, fast, and relevant search experiences. Out-of-the-box. Open APIs. Capability to have pre-tuned search for any website, application, or workplace app. Complete visibility into the search analytics, results and user behavior.

Elasticsearch is not only a powerful search engine, but also a powerful analytics engine for making product recommendations and alerting on order thresholds, powering our e-commerce business.

Leading E-commerce Company
Observability

Unified observability for your entire digital ecosystem.

- Logs
- Metrics / Monitoring
- APM / Tracing
- Uptime / Synthetics
Managing systems is complex.

- Search enables correlation of logs, metrics, and APM traces.
- Search improves IT operations efficiency and reduces MTTR.
- Search provides actionable insights to meet business objectives.

Customers want ...


"We're really happy with Elastic Observability and we've been able to dramatically reduce our operations cost by 50% and free up 95% of devops time."

*Fortune 500 Auto Manufacturer*
Prevent, detect, and protect your organization from attacks.

Security Information and Event Monitoring (SIEM)
Security Analytics
Endpoint Security (EPP/EDR)
Threat Hunting
SecOps/Cloud Monitoring
Customers want ...

Threat protection at scale across their systems, networks, and endpoints. Out-of-the-box detection rules with machine learning, integration with MITRE ATT&CK, automated alerts and workflow to stop an attack in real-time, collaboration between ITOps, DevOps, and SecOps teams.

"The dream was to automate a 24×7 protection system that works on its own. With our Elastic powered security platform, we save millions of dollars."

*Fortune 100 Retailer*
power of the customer
Customers Among the Top 10 Companies of Each Industry

48% Fortune 500 Customers
- Computer Services: 9/10
- Software Companies: 9/10
- Broadcast & Cable: 7/10
- Telecom Services: 8/10

34% Forbes 2000 Customers
- Aerospace & Defense: 8/10
- Auto Manufacturers: 7/10
- Major Banks: 7/10
- Pharmaceutical Companies: 7/10

As of FY21
power of single pricing

Resource-based Pricing  |  Pay for the data you use

Elastic Enterprise Search
- Site Search
  No query-based pricing
- App Search
  No docs-based pricing
- Workplace Search
  No user-based pricing

Elastic Observability
- APM
  No agent/user-based pricing
- Logs
  No ingest-based pricing
- Metrics
  No host-based pricing

Elastic Security
- SIEM
  No user/ingest-based pricing
- Endpoint Security
  No endpoint-based pricing
Developer to CXO Motion

**Developer & Practitioners**
- Initial use case or project
- Champions Elastic across their team and department

**Executive and CXOs**
- Adoption of Elastic across multiple lines of business or BUs
- Enterprise-wide adoption, Center of Excellence
- Executive/CXO endorsement

**Line of Business (LOB)**
- Multiple use cases or projects
- Adoption of Elastic across a single line of business or BU
- Champions Elastic to other LOB leaders and executives
Customer Journey

High Volume, Frictionless User Engagement

ENGAGE & ADOPT
- Meetups
- Website
- ElasticON
- Documentation
- Forums
- Training
- Cloud Trials (SaaS)
- Download
- Basic Feature Usage
- Trial to Paid Features

ONBOARD & EXPAND
- Sales Development
- Field Sales
- Solution Architects
- Inside Sales
- Support
- Training
- Customer Success
- Renewals

Warm Touch, Value-Focused Customer Engagement
Globally Distributed Sales Coverage

45% of revenue from outside the U.S.

As of FY21
Rapid customer growth and increasing strategic commitments

<table>
<thead>
<tr>
<th></th>
<th>Total Customers</th>
<th>Customers with ACV &gt; $100K</th>
<th>Customers with ACV &gt; $1M</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>&gt;11,300</td>
<td>&gt;610</td>
<td>&gt;50</td>
</tr>
<tr>
<td>FY21</td>
<td>&gt;15,000</td>
<td>&gt;730</td>
<td>&gt;75</td>
</tr>
</tbody>
</table>
Solutions represent Enterprise Search, Observability and Security. For instance, if a customer uses logging and APM, that counts as one solution (Observability), not two.
# Why We Win

<table>
<thead>
<tr>
<th>Search</th>
<th>Technology</th>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>= Value</td>
<td>= Versatility</td>
<td>= Transparency</td>
</tr>
</tbody>
</table>

Search drives immediate value core to a customer’s business and critical use cases in a way that is continuous.

A single technology that is versatile enables customers to have economies of scale across multiple projects, teams, and use cases.

Resource-based pricing ensures there are no hidden costs and that customers can grow over time with transparency.
Our Leadership Team

Shay Banon  
Founder & CEO

Janesh Moorjani  
CFO

Paul Appleby  
President, Worldwide Field Operations

Ash Kulkarni  
Chief Product Officer

W.H. Baird Garrett  
Senior VP, Legal General Counsel and Secretary

Sally Jenkins  
Chief Marketing Officer

Kevin Kluge  
Senior VP of Engineering

Leah Sutton  
Senior VP, Global Human Resources
Commitment to Social Responsibility is a Key Component to Elastic’s Culture

**Employee and Community Engagement**
- Diversity and inclusion are core to our source code
  - Employ anti-bias interviewer training and a structured hiring process with regards to D&I
  - Maintain global targets for percentage of women in management, engineering, and across the company
- Conduct regular employee engagement surveys and pay equity analyses to drive pay equity across gender globally
- Offer wide range of equitable benefits across areas such as health, family, community, and time away
- Drive employee learning and organizational development via LinkedIn Learning and other internal initiatives
- Employee resource groups to support employee engagement and foster an inclusive environment
- “Elastic Cares” program drives all year around community and giving campaigns

**Environmental Health and Safety**
- Elastic’s workforce is “Distributed by Design”. Leveraging a globally distributed workforce enables:
  - Less transportation: minimizes traffic congestion and overall carbon footprint
  - Lower energy usage, emissions and waste: much smaller office portfolio than most comparable organizations minimizes waste and energy consumption
- Supply chain environmental and social responsibility management: Developing programs using several industry standards such as ISO (International Standards Organization), RBA (Responsible Business Alliance, formerly EICC - Electronic Industry Citizenship Coalition) and others.

**Governance**
- Board of Directors: independent majority board and an independent pay committee; 7 of 8 directors are independent, the board has a lead independent director and all members of our board committees are independent
- Diversity: 25% of our directors are female and the board is California AB 979 (underrepresented community) compliant
- Term limits: Initial term of three years and a maximum term of 12 years for non-executive directors
- Corporate policies and mandatory employee training: Strong policies such as “Corporate Governance Guidelines”, “Code of Business Conduct and Ethics”, “Anti-Corruption Policy and Whistleblowing Policy” and mandatory ethics and compliance trainings for all employees
Building a Culture of Success
Financial Overview
High Recurring Revenue Model with Robust SaaS Growth
Operating Leverage Inherent in Model Visible As We Scale

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Revenue</th>
<th>Non-GAAP Operating Margin %</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>$272M</td>
<td>-20.5%</td>
</tr>
<tr>
<td>FY20</td>
<td>$428M</td>
<td>-17.7%</td>
</tr>
<tr>
<td>FY21</td>
<td>$608M</td>
<td>-1.2%</td>
</tr>
</tbody>
</table>
Continued Expansion in Gross Profit As We Scale

Non-GAAP Gross Profit and Margin %

- **FY20**: $319
- **FY21**: $469
- **FY20** Margin: 75%
- **FY21** Margin: 77%

Elastic Cloud is dilutive to gross margin % but accretive to gross profit dollars.

Maintained Non-GAAP Gross Margin % through efficiencies despite increase in SaaS mix.

Anticipate modest continued headwind to Non-GAAP Gross Margin as SaaS mix increases.
Investing in Proprietary Innovation Increases Competitive Advantage

High velocity of releases with mainly proprietary features drives competitive advantage.

Rapid adoption delivers value early; paid features drive monetization.

Endgame acquired in Q2 FY20.

Operating leverage through:

- Single code base across Stack and Solutions
- Power Plays in Stack leveraged across Solutions
- Top line growth > investment growth
Rapidly Scaling Efficient Go-to-Market Model

Efficient distribution model drives efficiency in go-to-market motions with strong productivity.

Investing globally in coverage and capacity across roles.

Operating leverage through:

- Productivity Gains
- Growth in Cloud
- Moving further up within the enterprise
- Scaling velocity model
- Partnerships
Financial Framework

Drive recurring revenue growth: Subscriptions mix at 90% or more

Grow Elastic Cloud faster than overall business: Gradual increase in SaaS mix

Balance profitability and growth: Disciplined reinvestment

Target <5% annual share dilution (excluding acquisitions)

Turned free cash flow positive in FY21

Expect $1 billion-plus of revenue in FY23
Strong Track Record of Driving Growth

Total Revenue
$ millions

Y/Y Growth %

Q1-20 Q2-20 Q3-20 Q4-20 Q1-21 Q2-21 Q3-21 Q4-21 Q1-22
58% 59% 60% 53% 44% 43% 39% 44% 50%

Deferred Revenue
$ millions

Y/Y Growth %

Q1-20 Q2-20 Q3-20 Q4-20 Q1-21 Q2-21 Q3-21 Q4-21 Q1-22
64% 58% 52% 52% 63% 54% 59% 53% 31%

Sums may not add to totals due to rounding.
# Revenue Highlights

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY22</th>
<th>Q1 FY22 Y/Y</th>
<th>Y/Y CC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$193.1</td>
<td>50%</td>
<td>45%</td>
</tr>
<tr>
<td><strong>Total Subscription Revenue</strong></td>
<td>$177.2</td>
<td>46%</td>
<td>41%</td>
</tr>
<tr>
<td><strong>Elastic Cloud Revenue</strong></td>
<td>$61.5</td>
<td>89%</td>
<td>85%</td>
</tr>
<tr>
<td><strong>Subscription % of Total Revenue</strong></td>
<td>92%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Professional Services Revenue</strong></td>
<td>$15.9</td>
<td>111%</td>
<td>102%</td>
</tr>
</tbody>
</table>

**CC** = Constant Currency
## Strong Billings and Customer Metrics

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY22</th>
<th>Y/Y</th>
<th>Y/Y CC</th>
<th>TTM Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculated Billings(1)</td>
<td>$165.0</td>
<td>27%</td>
<td>23%</td>
<td>37%</td>
</tr>
</tbody>
</table>

### Q1 FY22 Customer Metrics

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Subscription Customers</td>
<td>&gt;16,000</td>
</tr>
<tr>
<td>Subscription Customers with ACV &gt; $100,000</td>
<td>&gt;780</td>
</tr>
<tr>
<td>Net Expansion Rate</td>
<td>Slightly below 130%</td>
</tr>
</tbody>
</table>

(1) Calculated Billings represents total revenue plus the sequential increase in deferred revenue as presented on the statement of cash flows, less the increase in unbilled accounts receivable. See appendix for reconciliation to GAAP.

CC = Constant Currency
## Non-GAAP Income Statement Highlights

<table>
<thead>
<tr>
<th>$ millions, except per share amounts</th>
<th>Q1 FY22</th>
<th>% OF REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$193.1</td>
<td>100%</td>
</tr>
<tr>
<td>Gross Profit/Margin</td>
<td>$149.8</td>
<td>78%</td>
</tr>
<tr>
<td>Research &amp; Development Expense</td>
<td>$45.7</td>
<td>24%</td>
</tr>
<tr>
<td>Sales &amp; Marketing Expense</td>
<td>$75.1</td>
<td>39%</td>
</tr>
<tr>
<td>General &amp; Administrative Expense</td>
<td>$21.8</td>
<td>11%</td>
</tr>
<tr>
<td>Operating Income/Margin</td>
<td>$7.2</td>
<td>4%</td>
</tr>
<tr>
<td>Earnings Per Share</td>
<td>$0.04</td>
<td></td>
</tr>
</tbody>
</table>

See appendix for reconciliation to GAAP
## Select Financial Measures

<table>
<thead>
<tr>
<th>$ millions, except employees</th>
<th>Q1 FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free Cash Flow</td>
<td>$12.4</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$991.3</td>
</tr>
<tr>
<td>Total Deferred Revenue</td>
<td>$364.4</td>
</tr>
<tr>
<td>Remaining Performance Obligations</td>
<td>$776.0</td>
</tr>
<tr>
<td>Employees</td>
<td>2,285</td>
</tr>
</tbody>
</table>

See appendix for reconciliation to GAAP
Appendix
### Releases: Continued rapid pace of innovation

Powerful foundational features in the Elastic Stack included: Limitless XDR (GA), Elastic Agent (GA), Enterprise Search in Kibana (Beta)

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>• Announced centralized management of Elastic Enterprise Search in Kibana, delivering optimized search experiences insights</td>
<td>• Announced the general availability of Elastic Agent data onboarding and telemetry collection with secure centralized agent management</td>
<td>• Introduced the industry’s first free and open Limitless Extended Detection and Response (XDR)</td>
<td>• Announced general availability of support for Microsoft Azure Private link providing secure connectivity between Elastic Cloud and Azure environments</td>
</tr>
<tr>
<td>• Introduced precision tuning in App Search for customized search results</td>
<td>• Added native support for Microsoft Azure monitoring use cases</td>
<td>• Extended visibility to bring native endpoint security to every host with a unified agent</td>
<td>• Launched new Google cloud region: Asia Pacific Northeast 3 (Seoul) region</td>
</tr>
<tr>
<td>• Provided customers with synonym support in Workplace Search and data ingestion flexibility with out-of-the-box content sources</td>
<td>• Enhanced APM correlations, accelerating application root cause analysis and reducing MTTR</td>
<td>• Automated prevention to stop fast-evolving ransomware and malware with an extra layer of ransomware protection for Windows systems and data</td>
<td></td>
</tr>
</tbody>
</table>
## Remaining Performance Obligations (RPO) Historical Trend

<table>
<thead>
<tr>
<th>$ millions</th>
<th>Q1 FY21</th>
<th>Q2 FY21</th>
<th>Q3 FY21</th>
<th>Q4 FY21</th>
<th>Q1 FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remaining Performance Obligations (RPO)</td>
<td>$576.4</td>
<td>$643.5</td>
<td>$705.7</td>
<td>$796.4</td>
<td>$776.0</td>
</tr>
</tbody>
</table>
## GAAP to Non-GAAP Reconciliations

### Gross Profit and Gross Margin

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ in millions</td>
<td>$143.4</td>
</tr>
<tr>
<td>GAAP gross profit</td>
<td></td>
</tr>
<tr>
<td>(+) Stock based compensation</td>
<td>3.7</td>
</tr>
<tr>
<td>(+) Amortization of acquired intangibles</td>
<td>2.0</td>
</tr>
<tr>
<td>(+) Employer payroll taxes on employee stock transactions</td>
<td>0.6</td>
</tr>
<tr>
<td>Non-GAAP gross profit</td>
<td></td>
</tr>
<tr>
<td>GAAP subscription gross margin %</td>
<td>78.8%</td>
</tr>
<tr>
<td>(+) Stock based compensation</td>
<td>1.2%</td>
</tr>
<tr>
<td>(+) Amortization of acquired intangibles</td>
<td>1.1%</td>
</tr>
<tr>
<td>(+) Employer payroll taxes on employee stock transactions</td>
<td>0.1%</td>
</tr>
<tr>
<td>Non-GAAP subscription gross margin %</td>
<td>81.3%</td>
</tr>
<tr>
<td>GAAP professional services gross margin %</td>
<td>23.7%</td>
</tr>
<tr>
<td>(+) Stock based compensation</td>
<td>9.9%</td>
</tr>
<tr>
<td>(+) Employer payroll taxes on employee stock transactions</td>
<td>2.3%</td>
</tr>
<tr>
<td>Non-GAAP professional services gross margin %</td>
<td>35.9%</td>
</tr>
<tr>
<td>GAAP gross margin %</td>
<td></td>
</tr>
<tr>
<td>(+) Stock based compensation</td>
<td>1.9%</td>
</tr>
<tr>
<td>(+) Amortization of acquired intangibles</td>
<td>1.0%</td>
</tr>
<tr>
<td>(+) Employer payroll taxes on employee stock transactions</td>
<td>0.3%</td>
</tr>
<tr>
<td>Non-GAAP gross margin %</td>
<td>77.6%</td>
</tr>
</tbody>
</table>

Sums may not add to totals due to rounding.
## GAAP to Non-GAAP Reconciliations

### Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY21</th>
<th>Q1 FY22</th>
<th>Q1 FY22 % Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP sales &amp; marketing expenses</strong></td>
<td>$56.2</td>
<td>$88.0</td>
<td>46%</td>
</tr>
<tr>
<td>(-) Stock based compensation</td>
<td>(6.2)</td>
<td>(9.9)</td>
<td>(5.1%)</td>
</tr>
<tr>
<td>(-) Acquisition and related expenses</td>
<td>(1.4)</td>
<td>(1.4)</td>
<td>(0.7%)</td>
</tr>
<tr>
<td>(-) Employer payroll taxes on employee stock transactions</td>
<td>(1.2)</td>
<td>(1.7)</td>
<td>(0.9%)</td>
</tr>
<tr>
<td><strong>Non-GAAP sales &amp; marketing expenses</strong></td>
<td>$47.4</td>
<td>$75.1</td>
<td>39%</td>
</tr>
<tr>
<td><strong>Y/Y</strong></td>
<td></td>
<td></td>
<td>58%</td>
</tr>
<tr>
<td><strong>GAAP research &amp; development expenses</strong></td>
<td>$45.7</td>
<td>$59.4</td>
<td>31%</td>
</tr>
<tr>
<td>(-) Stock based compensation</td>
<td>(7.1)</td>
<td>(12.1)</td>
<td>(6.3%)</td>
</tr>
<tr>
<td>(-) Employer payroll taxes on employee stock transactions</td>
<td>(1.0)</td>
<td>(1.6)</td>
<td>(0.8%)</td>
</tr>
<tr>
<td><strong>Non-GAAP research &amp; development expenses</strong></td>
<td>$37.6</td>
<td>$45.7</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Y/Y</strong></td>
<td></td>
<td></td>
<td>22%</td>
</tr>
<tr>
<td><strong>GAAP general &amp; administrative expenses</strong></td>
<td>$21.7</td>
<td>$27.1</td>
<td>14%</td>
</tr>
<tr>
<td>(-) Stock based compensation</td>
<td>(3.0)</td>
<td>(4.5)</td>
<td>(2.3%)</td>
</tr>
<tr>
<td>(-) Acquisition and related expenses</td>
<td>0.0</td>
<td>(0.2)</td>
<td>(0.1%)</td>
</tr>
<tr>
<td>(-) Employer payroll taxes on employee stock transactions</td>
<td>(0.7)</td>
<td>(0.5)</td>
<td>(0.3%)</td>
</tr>
<tr>
<td><strong>Non-GAAP general &amp; administrative expenses</strong></td>
<td>$18.0</td>
<td>$21.8</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Y/Y</strong></td>
<td></td>
<td></td>
<td>21%</td>
</tr>
</tbody>
</table>

Sums may not add to totals due to rounding
# GAAP to Non-GAAP Reconciliations

## Operating Loss, Operating Margin and Net Loss per share

<table>
<thead>
<tr>
<th>$ in millions except percentages and per share amounts</th>
<th>Q1 FY21</th>
<th>Q1 FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP operating loss</td>
<td>($29.5)</td>
<td>($31.0)</td>
</tr>
<tr>
<td>(+) Stock based compensation</td>
<td>18.6</td>
<td>30.2</td>
</tr>
<tr>
<td>(+) Amortization of acquired intangibles</td>
<td>3.6</td>
<td>3.4</td>
</tr>
<tr>
<td>(+) Acquisition and related expenses</td>
<td>0.0</td>
<td>0.2</td>
</tr>
<tr>
<td>(+) Employer payroll taxes on employee stock transactions</td>
<td>3.1</td>
<td>4.4</td>
</tr>
<tr>
<td>Non-GAAP operating (loss) income</td>
<td>($4.3)</td>
<td>$7.2</td>
</tr>
<tr>
<td>GAAP operating margin %</td>
<td>(22.9%)</td>
<td>(16.1%)</td>
</tr>
<tr>
<td>(+) Stock based compensation</td>
<td>14.4%</td>
<td>15.6%</td>
</tr>
<tr>
<td>(+) Amortization of acquired intangibles</td>
<td>2.8%</td>
<td>1.8%</td>
</tr>
<tr>
<td>(+) Acquisition and related expenses</td>
<td>0.0%</td>
<td>0.1%</td>
</tr>
<tr>
<td>(+) Employer payroll taxes on employee stock transactions</td>
<td>2.4%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Non-GAAP operating margin %</td>
<td>(3.3%)</td>
<td>3.7%</td>
</tr>
<tr>
<td>GAAP net loss per share</td>
<td>($0.23)</td>
<td>($0.38)</td>
</tr>
<tr>
<td>(+) Stock based compensation</td>
<td>0.22</td>
<td>0.33</td>
</tr>
<tr>
<td>(+) Amortization of acquired intangibles</td>
<td>0.04</td>
<td>0.04</td>
</tr>
<tr>
<td>(+) Acquisition and related expenses</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>(+) Employer payroll taxes on employee stock transactions</td>
<td>0.04</td>
<td>0.05</td>
</tr>
<tr>
<td>(-) Tax adjustment</td>
<td>(0.00)</td>
<td>(0.00)</td>
</tr>
<tr>
<td>Non-GAAP earnings per share - Basic</td>
<td>$0.07</td>
<td>$0.04</td>
</tr>
<tr>
<td>Non-GAAP earnings per share - Diluted</td>
<td>$0.06</td>
<td>$0.04</td>
</tr>
</tbody>
</table>

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# GAAP to Non-GAAP Reconciliations

## Calculated Billings

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY21</th>
<th>Q1 FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$128.9</td>
<td>$193.1</td>
</tr>
<tr>
<td>Add: Increase in total deferred revenue</td>
<td>1.7</td>
<td>(30.6)</td>
</tr>
<tr>
<td>Less: (Increase) decrease in unbilled accounts receivable</td>
<td>(0.6)</td>
<td>2.6</td>
</tr>
<tr>
<td>Calculated billings</td>
<td>$130.0</td>
<td>$165.0</td>
</tr>
<tr>
<td>Y/Y</td>
<td></td>
<td>27%</td>
</tr>
</tbody>
</table>

## Free Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>Q1 FY21</th>
<th>Q1 FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash used in operating activities</td>
<td>$22.0</td>
<td>$14.1</td>
</tr>
<tr>
<td>Less: Purchase of property and equipment</td>
<td>(0.4)</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Less: Capitalization of internal-use software</td>
<td>0.0</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$21.6</td>
<td>$12.4</td>
</tr>
<tr>
<td>Free cash flow margin*</td>
<td>17%</td>
<td>6%</td>
</tr>
</tbody>
</table>

*Free cash flow margin represents free cash flow divided by total revenue
Sums may not add to totals due to rounding
**Definitions**

*Customers:* 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. All affiliated entities are typically counted as a single customer.

*Customers >$100K ACV and Customers >$1M ACV:* The annual contract value, or 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.

*Net Expansion Rate:* To calculate an expansion rate as of the end of a given month, we start with the ACV from all customers as of twelve months prior to that month end, or Prior Period Value. We then calculate the ACV from these same customers as of the given month end, or Current Period Value, which includes any growth in the value of their subscriptions 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.