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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 10-K**

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(Mark One)

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

For the fiscal year ended January 31, 2021

OR

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

For the transition period from \_\_\_\_ to \_\_\_\_

Commission File Number: **001-38240**

**MONGODB, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)  
**1633 Broadway 38th Floor**  
**New York NY**  
(Address of principal executive offices)

**26-1463205**  
(I.R.S. Employer  
Identification No.)  
  
**10019**  
(Zip Code)

Registrant's telephone number, including area code: **646-727-4092**

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock, par value \$0.001 per share	MDB	The Nasdaq Stock Market LLC (Nasdaq Global Market)

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

**None**  
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

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

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/> (Do not check if a small reporting company)	Small Reporting Company	<input type="checkbox"/>
Emerging Growth Company	<input type="checkbox"/>		

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 has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based on the closing price of the registrant’s shares of Class A common stock as reported by The Nasdaq Global Market on July 31, 2020 (the last business day of the registrant’s second fiscal quarter), was approximately \$14.1 billion.

As of March 16, 2021, there were 61,186,431 shares of the registrant’s Class A common stock, par value \$0.001 per share, outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant’s definitive proxy statement relating to its 2021 annual meeting of shareholders (the “2021 Proxy Statement”) are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. The 2021 Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the registrant’s fiscal year ended January 31, 2021.

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**MongoDB, Inc.**  
**Form 10-K**  
**For the Fiscal Year Ended January 31, 2021**

**TABLE OF CONTENTS**

	<u>Page</u>
<b><u>PART I</u></b>	
<a href="#"><u>Item 1.</u></a>	<a href="#"><u>Business</u></a> 2
<a href="#"><u>Item 1A.</u></a>	<a href="#"><u>Risk Factors</u></a> 13
<a href="#"><u>Item 1B.</u></a>	<a href="#"><u>Unresolved Staff Comments</u></a> 44
<a href="#"><u>Item 2.</u></a>	<a href="#"><u>Properties</u></a> 44
<a href="#"><u>Item 3.</u></a>	<a href="#"><u>Legal Proceedings</u></a> 44
<a href="#"><u>Item 4.</u></a>	<a href="#"><u>Mine Safety Disclosures</u></a> 44
<b><u>PART II</u></b>	
<a href="#"><u>Item 5.</u></a>	<a href="#"><u>Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u></a> 45
<a href="#"><u>Item 6.</u></a>	<a href="#"><u>Selected Financial Data</u></a> 46
<a href="#"><u>Item 7.</u></a>	<a href="#"><u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u></a> 47
<a href="#"><u>Item 7A.</u></a>	<a href="#"><u>Quantitative and Qualitative Disclosures About Market Risk</u></a> 61
<a href="#"><u>Item 8.</u></a>	<a href="#"><u>Financial Statements and Supplementary Data</u></a> 63
<a href="#"><u>Item 9.</u></a>	<a href="#"><u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u></a> 104
<a href="#"><u>Item 9A.</u></a>	<a href="#"><u>Controls and Procedures</u></a> 104
<a href="#"><u>Item 9B.</u></a>	<a href="#"><u>Other Information</u></a> 105
<b><u>PART III</u></b>	
<a href="#"><u>Item 10.</u></a>	<a href="#"><u>Directors, Executive Officers and Corporate Governance</u></a> 106
<a href="#"><u>Item 11.</u></a>	<a href="#"><u>Executive Compensation</u></a> 106
<a href="#"><u>Item 12.</u></a>	<a href="#"><u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u></a> 106
<a href="#"><u>Item 13.</u></a>	<a href="#"><u>Certain Relationships and Related Transactions and Director Independence</u></a> 106
<a href="#"><u>Item 14.</u></a>	<a href="#"><u>Principal Accounting Fees and Services</u></a> 106
<b><u>PART IV</u></b>	
<a href="#"><u>Item 15.</u></a>	<a href="#"><u>Exhibits, Financial Statement Schedules</u></a> 107
<a href="#"><u>Item 16.</u></a>	<a href="#"><u>Form 10-K Summary</u></a> 110

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## General

Unless the context otherwise indicates, references in this report to the terms “MongoDB,” the “Company,” “we,” “our” and “us” refer to MongoDB, Inc., its divisions and its subsidiaries. All information presented herein is based on our fiscal calendar. Unless otherwise stated, references to particular years, quarters, months or periods refer to the Company’s fiscal years ended January 31 and the associated quarters, months and periods of those fiscal years.

## Trademarks

“MongoDB” and the MongoDB leaf logo and other trademarks or service marks of MongoDB, Inc. appearing in this Annual Report on Form 10-K (this “Form 10-K”) are the property of MongoDB, Inc. This Form 10-K contains additional trade names, trademarks and service marks of others, which are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this Form 10-K may appear without the ® or ™ symbols.

## Special Note Regarding Forward-Looking Statements

This Form 10-K 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”), that are based on our management’s beliefs and assumptions and on information currently available to our management. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. All statements other than present and historical facts and conditions contained in this Form 10-K, including statements regarding our future results of operations and financial position, business strategy, plans and our objectives for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “objective,” “ongoing,” “plan,” “potential,” “predict,” “project,” “should,” “will,” or “would,” or the negative or plural of these terms or other comparable terminology. Actual events or results may differ from those expressed in these forward-looking statements and these differences may be material and adverse. Forward-looking statements include, but are not limited to, statements about:

- our future operating and financial performance, ability to generate positive cash flow and ability to achieve and sustain profitability;
- our ability to successfully anticipate and satisfy customer demands, including through the introduction of new features, products or services and the provision of professional services;
- the effects of increased competition in our market;
- our ability to expand our sales and marketing organization and to scale our business, including entering into new markets and managing our international expansion;
- the impact of the COVID-19 pandemic and any associated economic downturn on our future operating and financial performance;
- the future trading prices of our common stock and the impact of securities analysts’ reports on these prices;
- our ability to continue to build and maintain credibility with the developer community;
- our ability to attract and retain customers to use our products;
- our ability to maintain, protect, enforce and enhance our intellectual property;
- the growth and expansion of the market for database products and our ability to penetrate such market;
- our ability to maintain the security of our software and adequately address privacy concerns;
- our ability to accurately forecast our sales cycle and make changes to our pricing model;
- our ability to form new and expand existing strategic partnerships;
- the attraction and retention of highly skilled and key personnel;
- our ability to enhance our brand;

- our ability to effectively manage our growth and future expenses and maintain our corporate culture; and
- our ability to comply with modified or new laws and regulations applying to our business.

We have based the forward-looking statements contained in this Form 10-K primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, prospects, business strategy and financial needs. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, assumptions and other factors described in the section titled “Risk Factors” and elsewhere in this Form 10-K. These risks are not exhaustive. Other sections of this Form 10-K include additional factors that could adversely affect our business and financial performance. 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 Form 10-K. We cannot assure you 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. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame or at all.

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 Form 10-K 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.

The forward-looking statements made in this Form 10-K 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 Form 10-K or to conform such statements to actual results or revised expectations, except as required by law.

This Form 10-K contains market data and industry forecasts that were obtained from industry publications. These data and forecasts involve a number of assumptions and limitations and you are cautioned not to give undue weight to such information. We have not independently verified any third-party information. While we believe the market position, market opportunity and market size information included in this Form 10-K is generally reliable, such information is inherently imprecise.

## **PART I**

### **Item 1. Business**

#### **Overview**

MongoDB is the leading modern, general purpose database platform. Our robust platform enables developers to build and modernize applications rapidly and cost-effectively across a broad range of use cases. Organizations can deploy our platform at scale in the cloud, on-premise, or in a hybrid environment. Through our unique document-based architecture, we are able to address the needs of organizations for performance, scalability, flexibility and reliability while maintaining the strengths of legacy databases. Our business model combines the developer mindshare and adoption benefits of open source with the economic benefits of a proprietary software subscription business model.

Software applications are redefining how organizations across industries engage with their customers, operate their businesses and compete with each other. To compete effectively in today’s global, data-driven market environment, organizations must provide their end-users with applications that capture and leverage the vast volumes and varieties of available data. As a result, the software developers who build and maintain these applications are increasingly influential in organizations and demand for their talent has grown substantially. Consequently, organizations of all sizes and industries and across geographies have significantly increased investment in developers with the strategic goal of improving the organization’s pace of innovation and competitive position.

A database is at the heart of every software application. Every software application requires a database to store, organize and process data. Large organizations can have tens of thousands of applications and associated databases. A database directly impacts an application’s performance, scalability, flexibility and reliability. As a result, selecting a database

is a highly strategic decision that directly affects developer productivity, application performance and organizational competitiveness.

Legacy relational databases were first developed in the 1970s and their underlying architecture remains largely unchanged even though the nature of applications, how they are deployed and their role in business have evolved dramatically. Modern software development is highly iterative and requires flexibility. Relational databases were not built to support the volume, variety and velocity of data being generated today, hindering application performance and developer productivity. In a relational database environment, developers are often required to spend significant time fixing and maintaining the linkages between modern applications and the rigid database structures that are inherent in relational offerings. Further, relational databases were built before cloud computing was popularized and were not designed for “always-on” globally distributed deployments. These factors have left developers and their organizations in need of more agile and effective database alternatives. A number of non-relational database alternatives have attempted to address the limitations of relational databases, but they have not achieved widespread developer mindshare and marketplace adoption due to technical trade-offs in their product architectures and the resulting compromises developers are required to make in application development. When we refer to a modern database, we are referring to a database that was originally commercialized after the year 2000 and that is designed for globally distributed deployments.

Our unique platform combines the best of both relational and non-relational databases. We believe our core platform differentiation is driven by our ability to address the needs of organizations for performance, scalability, flexibility and reliability while maintaining the strengths of relational databases. Our document-based architecture enables developers to manage data in a more natural way, making it easy and intuitive for developers to rapidly and cost-effectively build, modernize, deploy and maintain applications, thereby increasing the pace of innovation within an organization. Customers can run our platform in any environment, depending on their operational requirements: fully managed as a service or self-managed in the cloud, on-premise or in a hybrid environment.

The database market is one of the largest in the software industry. According to IDC, the worldwide database software market, which it refers to as the data management software market, was forecast to be \$68 billion in 2020 growing to approximately \$106 billion in 2024, representing a 12% compound annual growth rate. Legacy database vendors have historically dominated this market. We believe this market is one of the few within the enterprise technology stack that has yet to be disrupted by a modern alternative, creating our opportunity.

To encourage developer usage, familiarity and adoption of our platform, we offer Community Server, a free-to-download version of our database that is analogous to a “freemium” offering. This allows developers to evaluate our platform in a frictionless manner, which we believe has contributed to our platform’s popularity among developers and driven enterprise adoption of our subscription offering. Prior to October 2018, we offered Community Server under the GNU Affero General Public License version 3 (the “AGPL”). In October 2018, we issued a new software license, the Server Side Public License (the “SSPL”), for all versions of Community Server released after that date. Both the SSPL and the AGPL grant licensees broad freedom to view, use, copy, modify and redistribute the source code of Community Server provided certain conditions are met. The SSPL is based on the AGPL but includes an explicit condition that any organization using Community Server to offer MongoDB as a third-party service must open source the software that it uses to offer such service.

The economic attractiveness of our subscription-based model is driven by customer renewals and increasing existing customer subscriptions over time, referred to as land-and-expand. Unlike software companies built around third-party open source projects, we own the intellectual property of our offerings since we are the creators of the software, enabling our proprietary software subscription business model. Owning the intellectual property of our offering also allows us to retain control over our future product roadmap, including the determination of which features are included in our free or paid offerings.

## **Our Solution**

The key differentiators of our platform include:

*We Built Our Platform for Developers.*

MongoDB was built by developers for developers. We architected our platform with robust functionality and made it easy and intuitive for developers to build, modernize, deploy and maintain applications rapidly and cost-effectively, thereby increasing developer productivity. Our document-based architecture enables developers to manage and interact with data in a more natural way than legacy alternatives. As a result, developers can focus on the application and end-user experience, as they do not have to spend significant time fixing and maintaining the linkages between the application and a rigid relational

database structure. We also develop and maintain drivers in all leading programming languages, allowing developers to interact with our platform using the programming language of their choice, further increasing developer productivity. According to the Stack Overflow Annual Developer Survey, in 2017, 2018, 2019 and 2020, more developers wanted to work with MongoDB than any other database.

Customers of MongoDB Atlas, our multi-cloud offering, enjoy the benefits of consuming MongoDB as a service in the public cloud, further enabling developers to focus on their application performance and end-user experience, rather than the back-end infrastructure lifecycle management. With MongoDB Atlas, organizations only have to manage how their applications use the database and are freed from the tasks of infrastructure provisioning, operating system configuration, upgrades and more. As a result, MongoDB Atlas unlocks higher levels of developer productivity, allowing organizations to innovate more quickly to better serve their own customers and to capitalize on new business opportunities.

#### *We Built a Modern Platform for Applications.*

Our founders were frustrated by the challenges of working with legacy database offerings. Our platform was built to address these challenges while maintaining the best aspects of relational databases, allowing developers both to build new, modern applications that could not be built on relational databases and to more quickly and easily modernize existing applications. While the percentage varies from quarter to quarter, over the course of the past fiscal year, approximately one quarter of our new business related to MongoDB Enterprise Advanced, our proprietary commercial database offering, resulted from applications that were migrated from legacy relational databases. Core features and capabilities of our platform include:

- **Performance.** We deliver the extreme throughput and predictable low-latency required by the most demanding applications and leverage modern server architectures, delivering millions of operations per second.
- **Scalability.** Our architecture scales horizontally across thousands of servers, supporting petabytes of data and millions of users in a globally distributed environment. It is easy to add capacity to our platform in a modular, predictable and cost-efficient manner.
- **Flexibility and Control.** MongoDB's intelligent distributed systems architecture enables users to easily place data where their applications and users need it. MongoDB can be run within and across geographically distributed data centers and cloud regions, providing levels of scalability, workload isolation and data locality to meet today's modern application requirements.
- **Reliability.** Our platform includes the critical, advanced security features and fault-tolerance that enterprises demand. It was built to operate in a globally distributed environment for "always-on" applications.

#### *We Allow Customers to Run Any Application Anywhere.*

As a general purpose database, we support applications across a wide range of use cases. Our software is easily configurable, allowing customers to adjust settings and parameters to optimize performance for a specific application and use case. Customers can run our platform in any environment, depending on their operational requirements: fully managed as a service or self-managed in the cloud, on-premise or in a hybrid environment. Customers can deploy our platform in any of the major public cloud alternatives, providing them with increased flexibility and cost-optimization opportunities by preventing public cloud vendor lock-in. Customers have a consistent experience regardless of infrastructure, providing optionality, flexibility and efficiency.

### **Key Customer Benefits**

Our platform delivers the following key business benefits for our customers:

- **Maximize Competitive Advantage through Software and Data.** Our platform is built to support modern applications, allowing organizations to harness the full power of software and data to drive competitive advantage. Developers use our platform to build new, operational and customer-facing applications, including applications that cannot be built on legacy databases. As a result, our platform can help drive our customers' ability to compete, improve end-user satisfaction, increase their revenue and gain market share.
- **Increase Developer Productivity.** By empowering developers to build and modernize applications quickly and cost-efficiently, we enable developers' agility, accelerating the time-to-revenue for new products. Our platform's document-based architecture and intuitive drivers make developing and iterating on applications very efficient on

our platform, increasing developer productivity. MongoDB Atlas allows developers to focus on how their applications use the database, application performance and end-user experience, rather than the database infrastructure management including provisioning, operating system configuration, upgrades, monitoring and backups.

- **Deliver High Reliability for Mission-Critical Deployments.** Our platform is designed to support mission-critical applications by being fault-tolerant and always-on, reducing downtime for our customers and minimizing the risk of lost revenue. Also, given the competitive criticality of applications today, we designed our platform to enable better end-user experiences.
- **Reduce Total Cost of Ownership.** The speed and efficiency of application development using our platform, coupled with decreased developer resources required for application maintenance, can result in a dramatic reduction in the total cost of ownership for enterprises. In addition, our platform runs on commodity hardware, requires less oversight and management from operations personnel and can operate in the cloud or other low-cost environments, leading to reduced application-related overhead costs for our customers. By allowing customers to remove themselves from the complexity of managing the database and related underlying infrastructure, MongoDB Atlas can further reduce total cost of ownership.

## Our Growth Strategy

We are pursuing our large market opportunity with growth strategies that include:

- **Acquiring New Customers.** We believe there is a substantial opportunity to continue to grow our customer base. We benefit from word-of-mouth awareness and frictionless experimentation by the developer community through our Community Server and MongoDB Atlas free tier offerings. As a result, our self-serve and direct sales prospects are often familiar with our platform and may have already built applications using our technology. While we sell to organizations of all sizes across a broad range of industries, our key sales focus is on enterprises that invest more heavily in software application development and deployment. These organizations have a greater need for databases and, in the largest enterprises, can have tens of thousands of applications and associated databases. We plan to continue to invest in our direct sales force to grow our larger enterprise subscription base, both domestically and internationally.
- **Expanding Sales Within Our Customer Base.** We seek to grow our sales with our customers in several ways. As an application grows and requires additional capacity, our customers increase their spending on our platform. In addition, our customers may expand their subscriptions to our platform as they migrate additional existing applications or build new applications, either within the same department or in other lines of business or geographies. Also, as customers modernize their IT infrastructure and move to the cloud, they may migrate applications from legacy databases. Even within our largest customers, we believe we typically represent a small percentage of their overall spend on databases, reflecting our small market penetration. Our goal is to increase the number of customers that standardize on our database platform within their organization, which can include offering centralized internal support for developers within the organization or the deployment of an internal MongoDB-as-a-service offering. Our net ARR expansion rate, which has consistently been over 120%, demonstrates our ability to expand within existing customers. See Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations of this Form 10-K for a description of ARR and a discussion of our net ARR expansion rate.
- **Driving Usage of MongoDB Atlas.** MongoDB Atlas, our hosted multi-cloud offering, is an important part of our run-anywhere strategy. With MongoDB Atlas, customers can enjoy the benefits of consuming MongoDB as a service in the public cloud, enabling customers to remove themselves from the complexity of managing the database and related underlying infrastructure. We initially launched MongoDB Atlas in 2016 and generated revenue by migrating existing users of our Community Server. We offer tools to easily migrate existing users of our Community Server offering to MongoDB Atlas. During 2018, we expanded the functionality available in MongoDB Atlas beyond that of our Community Server offering, including adding advanced security features, enterprise-standard authentication and database auditing to MongoDB Atlas to allow MongoDB Atlas to support mission-critical enterprise workloads. We continued to enhance the functionality of MongoDB Atlas during 2019 and in 2020, we introduced a number of additional features and products to drive accelerated MongoDB Atlas adoption and consumption. In addition, we also announced the general availability of multi-cloud clusters on MongoDB Atlas, which allows customers to run their applications across multiple public clouds simultaneously. MongoDB Atlas is

available on all three major cloud providers (Amazon Web Services (“AWS”), Google Cloud Platform (“GCP”) and Microsoft Azure) in North America, Europe and Asia Pacific. We offer a free tier on AWS, GCP and Microsoft Azure, which provides limited processing power and storage, in order to drive trial and adoption of MongoDB Atlas among developers.

- **Extending Product Leadership and Introducing New Products.** We intend to continue to invest in our product offerings with the goal of expanding the functionality and adoption of our platform. For example, in 2020, we released MongoDB 4.4, which included significant updates to the query language to enhance analytics capabilities and to provide increased flexibility of data distribution in order to further improve resiliency and performance. For MongoDB Atlas, we introduced a number of additional features and products including the general availability of MongoDB Atlas Search, which integrates full-text search capabilities with our operational database, reducing implementation complexity for developers and eliminating the need to maintain multiple technologies. We also announced the general availability of MongoDB Atlas Data Lake and MongoDB Atlas Online Archive, which allow customers to store data more cost effectively on our platform and make that data readily available to their applications running on MongoDB Atlas. Finally, we fully integrated Realm, the leading mobile application database we acquired in 2019, with MongoDB Atlas allowing developers to build highly performant mobile applications with seamless data synchronization. The guiding principle of our product innovation is to help developers solve more of their data challenges by utilizing our platform.
- **Fostering the MongoDB Developer Community.** We have attracted a large and growing community of highly engaged developers, who have downloaded our Community Server offering over 155 million times from our website since February 2009 and over 65 million times in the last 12 months alone. We believe that the engagement of developers increases our brand awareness. Many of these developers become proponents of MongoDB within their organizations, which may result in new customers selecting our platform as well as expansion opportunities within existing customers. Historically, we have invested in our community through active sponsorship of user groups, our annual MongoDB World user conference, MongoDB University and other community-centered events. As of January 31, 2021, there were over one million MongoDB University registrations. We intend to continue to invest in the MongoDB developer community.
- **Growing and Cultivating Our Partner Ecosystem.** We have built a partner ecosystem of independent software vendors, systems integrators, value added resellers, cloud and technology partners. For example, in 2019, we expanded our global partner ecosystem with the announcement of a new partnership with Alibaba Cloud to offer an authorized MongoDB-as-a-Service solution to users in China for the first time. We expanded our reach in China in February 2021 when we announced the launch of a global partnership with Tencent Cloud that allows customers to easily adopt and use MongoDB-as-a-Service across Tencent’s global cloud infrastructure. We have also expanded our business partnerships with all three major cloud providers (AWS, GCP and Microsoft Azure). In addition, our technology partnerships with companies such as Informatica have provided our customers with tools to help them modernize from legacy relational databases to MongoDB which, along with our other technology partnerships, provide us with significant benefits, including lead generation, new customer acquisition, marketplace fulfillment, accelerated deployment and additional customer support. We have also expanded our current partnerships with independent software vendors and global systems integrators including IBM, Accenture, Infosys, Capgemini, Confluent, HCL, Wipro, Cognizant, Deloitte and Tata Consultancy Services. Our system integrator partners have also been valuable in working with organizations to migrate and modernize applications to our platform, including leveraging the cloud with MongoDB Atlas. We intend to continue to expand and enhance our partner relationships to grow our market presence and drive greater sales efficiency.
- **Expanding Internationally.** We believe there is significant opportunity to continue to expand the use of our platform outside the United States. During the fiscal years ended January 31, 2021, 2020 and 2019, revenue generated outside of the United States was 44%, 41% and 39% of our total revenue. We intend to continue to expand our sales and drive adoption of our platform globally.

## Human Capital Management

We believe that our employees and the culture we have established are critically important to our success. In order to continue to compete and succeed in our highly competitive and rapidly evolving market, it is crucial that we continue to attract, retain and motivate qualified employees. To support these objectives, we strive to maintain our company culture, offer competitive compensation and benefits, support the health and well-being of our employees, foster an inclusive, diverse and engaged workforce, and develop talent.

As of January 31, 2021, we had a total of 2,539 employees, including 1,102 employees located outside the United States. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We have not experienced any work stoppages and we consider our relations with our employees to be good.

### Our Culture

We believe our culture is critical to our success and has delivered tangible financial and operational benefits for our customers, our employees and our stockholders. Our values guide our business, our product development, our practices and our brand. They are what we look for in every employee. As our company continues to evolve and grow, these six values remain constant:

- **Think Big, Go Far.** We are big dreamers with a passion for creativity. We eagerly pursue new opportunities and markets through innovation and disruption. We have a pioneering spirit—always ready to forge new paths and take smart risks.
- **Make It Matter.** We are relentless in our pursuit of meaningful impact. We think strategically and are clear on what we are and are not trying to do. We accomplish an amazing amount of important work and we are obsessed with follow through.
- **Embrace the Power of Differences.** We commit to creating a culture of inclusion by seeking and valuing employees from different backgrounds and circumstances. This is cultivated by learning from and respecting each other's differences. We firmly believe that everyone deserves to feel valued and safe in the workplace and we acknowledge that underrepresented groups may not always feel this way. We recognize that a diverse workforce is the best way to broaden our perspectives, foster innovation and enable a sustainable competitive advantage.
- **Build Together.** We achieve amazing things by connecting and leveraging the diversity of skills, experiences and backgrounds of our entire organization. We discuss things thoroughly, but prioritize commitment over consensus. We are good listeners and always communicate with clarity and respect. We create and support a positive, inclusive and accepting environment.
- **Be Intellectually Honest.** We embrace reality. We apply high-quality thinking and rigor. We have courage in our convictions but work hard to ensure biases or personal beliefs do not get in the way of finding the best solutions.
- **Own What You Do.** We take ownership and are accountable for everything that we do. We empower and we are empowered to make things happen and balance independence with interdependence. We demand excellence from ourselves. We each play our own part in making MongoDB a great place to work.

### Compensation and Benefits

We provide competitive compensation and benefits for our employees globally. Our compensation package may include base salary, commission or semi-annual bonuses, and long-term equity awards. We generally offer full-time employees equity at the time of hire and through annual equity grants, and provide employees the opportunity to participate in an employee stock purchase plan, to foster a strong sense of ownership and align our employees' interests with our long-term success.

In addition to cash and equity compensation, we also offer employees a wide array of benefits designed to be aligned with local reward practices and competitive with those offered by companies that we compete with for talent. In the United States, these include health (medical, dental and vision) insurance, paid time off, retirement benefits and additional resources to support employees' overall well-being. We also have a global parental leave program pursuant to which we provide 20 weeks of paid parental leave for all new parents. While the philosophy around our benefits is the same worldwide, specific benefits may vary in other countries due to local regulations and preferences.

### Health, Safety and Well-Being

We believe the health, safety and well-being of our employees is vital to our success. We have prioritized employee safety during the ongoing COVID-19 pandemic and continue to do so, ensuring all employees are set up to work remotely and providing clarity on office closures and evolving guidelines. In addition, in response to the ongoing COVID-19 pandemic, we introduced caregiving leaves and promoted new and existing resources related to mental health. We also implemented a number of additional measures to support our employees, such as additional company-wide days off and wellness checks. We continue to evolve our programs to meet our employees' health and wellness needs.

### Diversity, Inclusion and Equity

MongoDB is committed to building a diverse workforce and a culture that reflects our value of embracing the power of differences. We believe that a diverse and inclusive workforce brings a diversity of perspectives, which in turn fosters innovation and helps drive better business outcomes.

We have launched multiple initiatives to further our goal of being more diverse and inclusive, including expanding our efforts to recruit underrepresented groups through referrals and key external partnerships, developing diverse high potential talent within the Company and increasing discussions on diversity and inclusion-related topics at employee town hall meetings. Additionally, our employee affinity groups, such as The Underrepresented People of Color (TUPOC) Network, Underrepresented Genders in Tech, Queeries and MDBWomen, offer our employees support, mentoring and networking opportunities and help to foster a welcoming and diverse workplace. As part of our commitment to gender diversity, we have also pledged our commitment to the Corporate Parity Pledge, which includes a commitment to interview at least one qualified female candidate for every open role at the vice president level and above.

MongoDB is committed to pay equity, regardless of gender, ethnicity or other personal characteristics. To deliver on that commitment, we benchmark and set pay ranges based on market data and consider factors such as an employee's role and experience, the location of their job, and their performance. In addition, to reduce the risk of bias and help ensure consistent pay practices, we use a third-party tool to conduct annual pay parity checks.

### Engagement

We conduct anonymous engagement surveys regularly to help us understand the employee experience, identify areas of strength and development opportunities among teams, and measure the effectiveness of our people and culture initiatives, including relating to the ongoing COVID-19 pandemic. These surveys are managed by a third-party vendor to encourage candor. The results are reviewed by senior management, who analyzes areas of progress or deterioration and works with their teams to determine which actions to take based on survey results.

### Talent Development

Talent development is a key aspect of the attraction and retention of our talent. We believe that employee growth is essential, and provide a number of resources and programs to support that commitment. Semi-annually, we facilitate employee self-reflection cycles where employees have development conversations with their managers. In addition, we provide new manager programming, both live and online, to better equip managers to support their teams. We also offer a variety of online courses, including Interview Training; live courses in topics that require discussion and practice, such as Communication Fundamentals; and team-based sessions, such as Crucial Conversations. Additionally, each business unit receives a budget to invest in skill development each year.

## **Our Products**

We built MongoDB to be a modern, general purpose database platform. We believe that organizations should be able to run our platform anywhere: from a developer's laptop, to an enterprise data center, in the public cloud or in a hybrid environment. Our core offerings are MongoDB Atlas and MongoDB Enterprise Advanced. MongoDB Atlas is our hosted multi-cloud database-as-a-service ("DBaaS") offering that includes comprehensive infrastructure and management of our database. MongoDB Enterprise Advanced is our proprietary commercial database server offering for enterprise customers that can run in the cloud, on-premise or in a hybrid environment.

To encourage developer usage, familiarity and adoption of our platform, we offer Community Server and a free tier of MongoDB Atlas as "freemium" offerings. Community Server is a free-to-download version of our database that includes the core functionality that developers need to get started with MongoDB but not all of the features of our commercial platform. Community Server is available under a license that protects our intellectual property and supports our subscription business

model. Our goal is to convert Community Server users to paying customers of our commercial subscription offerings such as MongoDB Atlas or MongoDB Enterprise Advanced. Our Community Server has been downloaded over 155 million times from our website alone since February 2009. Our free tier of MongoDB Atlas provides access to our hosted database solution with limited processing power and storage, as well as certain operational limitations.

To support our database platform and increase customer retention, we provide professional services to our customers with the goal of making customers' applications on our platform successful.

### MongoDB Atlas

In June 2016, we introduced MongoDB Atlas, our hosted DBaaS offering, which we run and manage in the public cloud. MongoDB Atlas provides customers with an elastic, managed offering that includes automated provisioning and healing, comprehensive system monitoring, managed backup and restore, default security and other features that reduce operational complexity and increase application resiliency. MongoDB Atlas allows customers to remove themselves from the complexity of managing the database and related underlying infrastructure, so they can instead focus on the application and end-user experience and innovate more quickly to better serve their own customers and capitalize on new business opportunities.

In 2018, we introduced additional enterprise functionality, such as advanced security, auditing and compliance, to MongoDB Atlas to allow Atlas to support mission-critical enterprise workloads. We continued to enhance the functionality of MongoDB Atlas during 2019 including improving security, privacy and compliance capabilities. In 2020, we introduced new features and products that are intended to accelerate adoption of MongoDB Atlas. For example, we announced the general availability of MongoDB Atlas Search, MongoDB Atlas Data Lake and MongoDB Atlas Online Archive, as well as the full integration of Realm, the leading mobile application database we acquired in 2019, with MongoDB Atlas.

MongoDB Atlas is available on all three major cloud providers (AWS, GCP and Microsoft Azure) in North America, Europe and Asia Pacific, providing customers broad geographic coverage across more than 65 regions globally, enabling them to leverage the benefits of different cloud platforms for different use cases and helping them avoid infrastructure vendor lock-in. In 2020, we announced the general availability of multi-cloud clusters on MongoDB Atlas, which allows organizations to deploy a fully managed, distributed database across multiple cloud providers simultaneously without the added operational complexity of managing data replication and migration across clouds. To drive usage and experimentation by developers, our introductory offerings for MongoDB Atlas include a free tier, which provides limited processing power and storage.

MongoDB Atlas represented 46%, 39% and 23% of our total revenue for the fiscal years ended January 31, 2021, 2020 and 2019, respectively.

### MongoDB Enterprise Advanced

MongoDB Enterprise Advanced is our subscription package that includes a commercial license to our platform and the following:

- *MongoDB Enterprise Database Server.* The MongoDB enterprise database server, called Enterprise Server, is our proprietary commercial database. It stores, organizes and processes data and facilitates access and changes to the data. Enterprise Server includes advanced security features, auditing functionality and enterprise-standard authentication and authorization. Enterprise Server also includes encrypted and in-memory storage engines to enable a wide range of workloads.
- *Enterprise Management Capabilities.* MongoDB Enterprise Advanced provides access to Cloud Manager Premium and Ops Manager, our sophisticated suite of management tools that allows operations teams to run, manage and configure MongoDB according to their needs. This includes the ability to monitor and alert on over 100 system metrics, to back up data and restore it to any point in time for disaster recovery and to automate common operational tasks such as upgrades, scaling and configuration changes. MongoDB Enterprise Advance customers can choose either our Cloud Manager Premium product (for customers who want to manage our platform via the cloud) or Ops Manager (generally for those with on-premise deployments).
- *Analytics Integrations.* We provide integrations to allow data and business analysts to analyze data in applications running on our platform using their existing business intelligence and analytics tools. For integration with business intelligence products like Tableau, analysts can use our MongoDB Connector for BI product, which includes our

newly-released ODBC driver to support a connection with Microsoft Excel. We also provide open source connectors for Spark and Hadoop, which are often used for data analysis. Our analytics integrations ensure that enterprises can efficiently extract significant value from applications built on our platform.

- *Technical Support.* As part of our MongoDB Enterprise Advanced subscription, we also provide technical support to customers during the subscription period. Our technical support is designed to maximize customer success. We provide customers with around-the-clock (24x365) technical support with an enterprise-grade service level agreement.

MongoDB Enterprise Advanced represented 43%, 47% and 56% of our total revenue for the fiscal years ended January 31, 2021, 2020 and 2019, respectively.

#### Professional Services

We provide professional services to our customers, including consulting and training, with the goal of making customer deployments of our platform successful, thereby increasing customer retention and driving customer revenue expansion. Given that we have designed our platform to be easy to deploy, our services typically do not involve implementation and are designed to facilitate a more rapid and successful deployment of MongoDB by our customers. Professional services is an important part of our customer retention and expansion strategy. Customers who purchase professional services have typically increased their subscription with us to higher levels and done so more quickly than customers who have not engaged our professional services.

Professional services represented 4%, 5% and 7% of our total revenue for the fiscal years ended January 31, 2021, 2020 and 2019, respectively.

#### **Our Customers**

As of January 31, 2021, we had over 24,800 customers spanning a wide range of industries in more than 100 countries around the world. All affiliated entities are counted as a single customer. No single customer represented more than 10% of our revenue in fiscal year 2021.

Our customer count as of January 31, 2021 includes customers acquired from ObjectLabs Corporation (“mLab”) and Tightdb, Inc. (“Realm”), which acquisitions closed on November 1, 2018 and May 7, 2019, respectively. Our definition of “customer” excludes (1) users of our free offerings, (2) users acquired from mLab who spend \$20 or less per month with us and (3) self-serve users acquired from Realm. The excluded mLab and Realm users collectively represent an immaterial portion of the revenue associated with users acquired from those acquisitions.

#### **Sales and Marketing**

Our sales and marketing teams work together closely to drive awareness and adoption of our platform, accelerate customer acquisition and generate and increase revenue from customers. While we sell to organizations of all sizes across a broad range of industries, our key sales focus is on enterprises that invest more heavily in software application development and deployment. These organizations have a greater need for databases and, in the largest enterprises, can have tens of thousands of applications and associated databases. We plan to continue to invest in our direct sales force to grow our larger enterprise subscription base, both domestically and internationally.

Our go-to-market model is primarily focused on driving awareness and usage of our platform among software developers with the goal of converting that usage into paid consumption of our platform. We are a pioneer of developer evangelism and education and have cultivated a large, highly engaged global developer community. We foster developer engagement through community events and conferences to demonstrate how developers can create or modernize applications quickly and intuitively using our platform. We intend to continue to cultivate our relationships with developers through continued investment in and growth of our MongoDB Advocacy Hub, User Groups and MongoDB University.

To drive developer awareness of, engagement with and adoption of our platform, we created our Community Server and MongoDB Atlas free tier offerings. These let developers use, experiment and evaluate our platform frictionlessly, which we believe has contributed to our platform’s popularity. We believe that developers are often advocates for us because of our developer-focused approach. As a result, our self-serve and direct sales prospects are often familiar with our platform and may have already built applications using our technology. In order to assess the most likely commercial prospects, we employ a process-oriented and data-driven approach to customer acquisition. We utilize advanced marketing technologies and processes to drive awareness and engagement, educate and convert prospects into customers. We also analyze usage patterns

of our self-serve customers and free-tier users to identify those accounts that might benefit from engagement with our sales teams. As customers expand their usage of our platform, our relationships with them often evolve to include technology and business leaders within their organizations and our goal is to get organizations to standardize on our platform. Once our customers reach a certain spending level with us, we support them with customer success advocates to ensure their satisfaction and expand their usage of our platform. We also have a partner ecosystem of global system integrators, value-added resellers and independent software vendors, which we collectively refer to as strategic partners.

Our sales and marketing organization includes sales development, inside sales, field sales, sales engineering and marketing personnel. As of January 31, 2021, we had 1,171 employees in our sales and marketing organization.

### **Research and Development**

Our research and development efforts are focused on enhancing our existing products and developing new products to extend our product leadership, increase our market penetration and deepen our relationships with our customers. Our research and development organization is built around small development teams. Our small development teams foster greater agility, which enables us to develop new, innovative products and make rapid changes to our infrastructure that increase resiliency and operational efficiency.

As of January 31, 2021, we had 638 employees in our research and development organization. We intend to continue to invest in our research and development capabilities to extend our platform.

### **Competition**

The worldwide database software market is rapidly evolving and highly competitive. We believe that the principal competitive factors in our market are:

- mindshare with software developers and IT executives;
- product capabilities, including flexibility, scalability, performance, security and reliability;
- flexible deployment options, including fully managed as a service or self-managed in the cloud, on-premise or in a hybrid environment;
- ease of deployment;
- breadth of use cases supported;
- ease of integration with existing IT infrastructure;
- robustness of professional services and customer support;
- price and total cost of ownership;
- adherence to industry standards and certifications;
- size of customer base and level of user adoption;
- strength of sales and marketing efforts; and
- brand awareness and reputation.

We believe that we compete favorably on the basis of the factors listed above.

We primarily compete with established legacy database software providers such as IBM, Microsoft, Oracle and other similar companies. We also compete with public cloud providers such as AWS, GCP and Microsoft Azure that offer database functionality and non-relational database software providers.

Some of our actual and potential competitors, in particular the legacy database providers and large cloud providers, have advantages over us, such as longer operating histories, more established relationships with current or potential customers and commercial partners, significantly greater financial, technical, marketing or other resources, stronger brand recognition, larger intellectual property portfolios and broader global distribution and presence. Such competitors may make their products available at a low cost or no cost basis in order to enhance their overall relationships with current or potential

customers. Our competitors may also be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements. In addition, some of our larger competitors have substantially broader offerings and can bundle competing products with hardware or other software offerings, including their cloud computing and customer relationship management platforms. Other large software and internet companies may also seek to enter our market. As we introduce new technologies, such as the ones we announced during fiscal year 2021, and as our existing markets see more market entry, we expect competition to intensify in the future.

### **Seasonality**

We have in the past and expect in the future to experience seasonal fluctuations in our revenue and results from time to time. In addition, as a result of the adoption of Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, we may experience greater variability and reduced comparability of our quarterly revenue and results with respect to the timing and nature of certain of our contracts, particularly multi-year contracts that contain a term license. Refer to Notes 2 and 11 for further information about our revenue recognition policy and results in our Notes to Consolidated Financial Statements in Part II, Item 8, *Financial Statements and Supplementary Data*, of this Form 10-K.

### **Intellectual Property**

We rely on a combination of patent, copyright, trademark and trade secret laws in the United States and other jurisdictions, as well as license agreements and other contractual protections, to protect our proprietary technology. We also rely on a number of registered and unregistered trademarks to protect our brand.

As of January 31, 2021, in the United States, we had been issued 45 patents, which expire between 2030 and 2038 and had 36 patent applications pending, of which 5 are provisional applications. In addition, as of January 31, 2021, we had 16 registered trademarks in the United States and no pending trademark application in the United States.

Unlike software companies built around open source projects, we own the intellectual property of our core offerings, allowing us to retain control over our future product roadmap, including the determination of which features are included in our free or paid offerings. All versions of Community Server released after October 16, 2018 are offered under the Server Side Public License (the "SSPL"). Versions of Community Server released prior to October 16, 2018 are offered under the GNU Affero General Public License version 3 (the "AGPL"). Both the SSPL and the AGPL permit users to run the database without charge but subject to certain terms and conditions. The SSPL explicitly requires Community Server users that offer MongoDB as a third-party service to make publicly available the source code for all the programs used to offer such service. The AGPL requires users to make publicly available the source code for any modified version of the database that they distribute, run as a service or otherwise make available to end users. By contrast, we offer our Enterprise Server database under a commercial license that does not have this requirement and this is one of the reasons some organizations elect to buy a subscription including a commercial license to our platform. In addition, by offering Community Server under the SSPL and AGPL, we limit the appeal to other parties, including public cloud vendors, of monetizing our software without licensing it from us, further supporting our software subscription business model.

In addition, we seek to protect our intellectual property rights by implementing a policy that requires our employees and independent contractors involved in development of intellectual property on our behalf to enter into agreements acknowledging that all works or other intellectual property generated or conceived by them on our behalf are our property and assigning to us any rights, including intellectual property rights, that they may claim or otherwise have in those works or property, to the extent allowable under applicable law.

### **Corporate Information**

MongoDB, Inc. was incorporated under the laws of the State of Delaware in November 2007 under the name 10Gen, Inc. We changed our name to MongoDB, Inc. on August 27, 2013. In October 2017, we completed our initial public offering and our Class A common stock is listed on The Nasdaq Global Market ("Nasdaq") under the symbol "MDB." Our principal executive offices are located at 1633 Broadway, 38th Floor, New York, New York 10019 and our telephone number is (646) 727-4092.

### **Available Information**

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Exchange Act, proxy statements and other information are filed with the U.S. Securities and Exchange Commission ("SEC"). We are subject to the informational requirements of the

Exchange Act and file or furnish reports, proxy statements and other information with the SEC. Such reports and other information filed by us with the SEC are available free of charge on our website at [investors.mongodb.com](http://investors.mongodb.com) when such reports are available on the SEC's website. The SEC maintains a website that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at [www.sec.gov](http://www.sec.gov). The information contained on the websites referenced in this Form 10-K is not incorporated by reference into this filing. Further, our references to website URLs are intended to be inactive textual references only.

## Item 1A. Risk Factors

***Our operations and financial results are subject to various risks and uncertainties including those described below. You should consider carefully the risks and uncertainties described below, in addition to other information contained in this Form 10-K, including our consolidated financial statements and related notes. 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 adversely affect our business. If any of the following risks or others not specified below materialize, our business, financial condition and results of operations could be materially and adversely affected. In that case, the trading price of our Class A common stock could decline.***

### Risk Factors Summary

Investing in our Class A common stock involves a high degree of risk because we are subject to numerous risks and uncertainties that could negatively impact our business, financial condition and results of operations, as more fully described below. These risks and uncertainties include, but are not limited to, the following:

- The ongoing COVID-19 pandemic, related economic downturn and measures taken in response to the pandemic could negatively impact our business, financial condition and results of operations.
- Unfavorable conditions in our industry or the global economy or reductions in information technology spending could limit our ability to grow our business and negatively affect our results of operations.
- 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 a limited operating history, which makes it difficult to predict our future results of operations.
- We have a history of losses and as our costs increase, we may not be able to generate sufficient revenue to achieve or sustain profitability.
- Because we derive substantially all of our revenue from our database platform, failure of this platform to satisfy customer demands could adversely affect our business, results of operations, financial condition and growth prospects.
- We currently face significant competition and expect that intense competition will continue.
- If we do not effectively expand our sales and marketing organization, we may be unable to add new customers or increase sales to our existing customers.
- Our decision to offer Community Server under a new license, the Server Side Public License, may harm adoption of Community Server.
- We have invested significantly in our MongoDB Atlas offering, and if it fails to achieve market adoption, our business, results of operations and financial condition could be harmed.
- We could be negatively impacted if the AGPL, the SSPL and other open source licenses under which some of our software is licensed are not enforceable.
- Our licensing model for Community Server could negatively affect our ability to monetize and protect our intellectual property rights.
- We could incur substantial costs in protecting or defending our intellectual property rights and any failure to protect our intellectual property rights could reduce the value of our software and brand.
- If we are not able to introduce new features or services successfully and to make enhancements to our software or services, our business and results of operations could be adversely affected.

- We have experienced rapid growth in recent periods. If we fail to continue to grow and to manage our growth effectively, we may be unable to execute our business plan, increase our revenue, improve our results of operations, maintain high levels of service, or adequately address competitive challenges.
- If our security measures, or those of our service providers, are breached or unauthorized access to personal information or otherwise private or proprietary data is otherwise obtained, our software may be perceived as not being secure, customers may reduce or terminate their use of our software and we may face litigation, regulatory investigations, significant liability and reputational damage.
- If we are not able to maintain and enhance our brand, especially among developers, our business and results of operations may be adversely affected.

## **Risks Related to Our Business and Industry**

### ***The ongoing COVID-19 pandemic, related economic downturn and measures taken in response to the pandemic could negatively impact our business, financial condition and results of operations.***

In light of the uncertain and continually evolving situation relating to the spread of COVID-19 and in compliance with shelter-in-place orders and other government executive orders directing that all non-essential businesses close their physical operations, beginning March 2020, we took measures intended to help minimize the risk of the virus to our employees, our customers and the communities in which we participate, which could negatively impact our business. These measures included temporarily requiring all employees to work remotely, suspending all non-essential travel worldwide for our employees, canceling, postponing or holding virtually MongoDB-sponsored events and discouraging employee attendance at industry events and in-person work-related meetings. While we have a distributed workforce and our employees are accustomed to working remotely or working with other remote employees, our workforce has not historically been fully remote. Although shelter-in-place and similar orders are lifted in certain locations where we conduct operations, we have informed our employees that they may continue to elect to work remotely through September 1, 2021, even if their office reopens. Further, shelter-in-place and similar orders in some jurisdictions have been and may in the future be re-instituted as rates of infection increase in those locations. As the COVID-19 pandemic continues to spread, it is highly uncertain to what extent and when restrictions will be lifted in various jurisdictions. Prior to the COVID-19 pandemic, our employees traveled frequently to establish and maintain relationships with one another and with our customers, partners and investors, and some of our business processes assume that employees can review and sign documents in person. Although we continue to monitor the situation and may adjust our current policies as more information and guidance become available, suspending travel and doing business in-person on a long-term basis could negatively impact our marketing efforts, our ability to enter into customer contracts in a timely manner, our international expansion efforts, our ability to recruit employees across the organization and, in sales and marketing, in particular, which could have longer term effects on our sales pipeline, or create operational or other challenges as our workforce remains predominantly remote, any of which could harm our business. For example, remote work arrangements may result in decreased employee productivity and morale with increased regretted employee attrition. In addition, our management team has spent, and will likely continue to spend, significant time, attention and resources monitoring the COVID-19 pandemic and associated global economic uncertainty and seeking to manage its effects on our business and workforce.

The ultimate impact to our results of operations will depend to a large extent on currently unknowable developments, including the length of time the disruption and uncertainty caused by COVID-19 will continue, which will, in turn, depend on, among other things, the actions taken by authorities and other entities to effect a widespread roll-out of the available vaccines or otherwise contain COVID-19 or treat its impact, including the impact of any reopening plans, additional closures and spikes or surges in COVID-19 infection, and individuals' and companies' risk tolerance regarding health matters going forward, all of which are beyond our control. Accordingly, these potential impacts, while uncertain, could harm our business and adversely affect our operating results. In addition, to the extent the ongoing COVID-19 pandemic adversely affects our business and results of operations, it may also have the effect of heightening many of the other risks and uncertainties described in this "Risk Factors" section which may materially and adversely affect our business and results of operations.

### ***Unfavorable conditions in our industry or the global economy or reductions in information technology spending 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. The revenue growth and potential profitability of our business depend on demand for database software and services generally and for our subscription offering and related services in particular. 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 turmoil, natural catastrophes, regional or global outbreaks of contagious diseases, such as the ongoing COVID-19 pandemic, warfare and terrorist attacks on the United States, Europe, the Asia Pacific region or elsewhere, could cause a decrease in business investments, including spending on information technology, disrupt the timing and cadence of key industry and marketing events and otherwise negatively affect the growth of our business.

In particular, the ongoing COVID-19 pandemic and the associated global economic uncertainty may prevent us or our employees, contractors, suppliers, customers and other business partners from conducting marketing and other business activities for an indefinite period of time, which could materially and adversely impact our business, financial results and results of operations. Further, in response to the ongoing COVID-19 pandemic, many state, local and foreign governments have from time to time put in place, and others in the future may put in place, quarantines, executive orders, shelter-in-place orders and similar government orders and restrictions in order to control the spread of the disease. Such orders or restrictions, or the perception that such orders or restrictions could occur, have resulted in business closures, work stoppages, slowdowns and delays, work-from-home policies, travel restrictions and cancellation of events, among other effects that could negatively impact productivity and disrupt our operations and those of our contractors, suppliers, customers and other business partners. We expect the ongoing COVID-19 pandemic and the associated global economic uncertainty will likely continue to impact our revenue. In addition, the ongoing COVID-19 pandemic could adversely affect workforces, customers, economies and financial markets globally, potentially leading to a sustained economic downturn. While it is not possible at this time to predict the duration and extent of the impact that the ongoing COVID-19 pandemic could have on worldwide economic activity and our business in particular, the continued spread of COVID-19, the measures taken by governments, businesses and other organizations in response to COVID-19 and the associated global economic uncertainty could materially and adversely impact our business, financial condition or results of operations.

Further, to the extent there is a sustained general economic downturn and our database software is perceived by customers and potential customers as costly, or too difficult to deploy or migrate to, our revenue may be disproportionately affected by delays or reductions in general information technology spending. Also, competitors, many of whom are larger and more established than we are, may respond to market conditions by lowering prices and attempting to lure away our customers. In addition, the increased pace of consolidation in certain industries may result in reduced overall spending on our subscription offerings and related services. 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 worsen from present levels, our business, results of operations and financial condition could be adversely affected.

***We have a limited operating history, which makes it difficult to predict our future results of operations.***

We were incorporated in 2007 and introduced MongoDB Community Server in 2009, MongoDB Enterprise Advanced in 2013 and MongoDB Atlas in 2016. As a result of our limited operating history, our ability to forecast our future results of operations is limited and subject to a number of uncertainties, including our ability to accurately predict future growth. Our historical revenue growth has been inconsistent and should not be considered indicative of our future performance. Further, in future periods, our revenue growth could slow or our revenue could decline for a number of reasons, including slowing adoption of MongoDB or demand for our subscription offerings and related services, reduced conversion of users of our free offerings to paying customers, increasing competition, changes to technology or our intellectual property or our failure, for any reason, to continue to capitalize on growth opportunities. We have also encountered and will encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. If our assumptions regarding these risks and uncertainties and our future revenue growth are incorrect or change, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations and our business could suffer.

***We have a history of losses and as our costs increase, we may not be able to generate sufficient revenue to achieve or sustain profitability.***

We have incurred net losses in each period since our inception, including net losses of \$266.9 million, \$175.5 million and \$99.0 million for the fiscal years ended January 31, 2021, 2020 and 2019, respectively. We had an accumulated deficit of \$935.4 million as of January 31, 2021. We expect our operating expenses to increase significantly as we increase our sales and marketing efforts, continue to invest in research and development and expand our operations and infrastructure, both domestically and internationally. In particular, we have entered into non-cancelable multi-year capacity commitments with

respect to cloud infrastructure services with certain third-party cloud providers, which require us to pay for such capacity irrespective of actual usage. In addition, we have incurred and expect to continue to incur significant additional legal, accounting and other expenses related to being a public company. While our revenue has grown in recent years, if our revenue declines or fails to grow at a rate faster than these increases in our operating expenses, we will not be able to achieve and maintain profitability in future periods. As a result, we expect to continue to generate losses. We cannot assure you that we will achieve profitability in the future or that, if we do become profitable, we will be able to sustain profitability.

***Because we derive substantially all of our revenue from our database platform, failure of this platform to satisfy customer demands could adversely affect our business, results of operations, financial condition and growth prospects.***

We derive and expect to continue to derive substantially all of our revenue from our database platform. As such, market adoption of our database platform is critical to our continued success. Demand for our platform is affected by a number of factors, many of which are beyond our control, including continued market acceptance by developers, the availability of our Community Server offering, the continued volume, variety and velocity of data that is generated, timing of development and release of new offerings by our competitors, technological change and the rate of growth in our market. If we are unable to continue to meet the demands of our customers and the developer community, our business operations, financial results and growth prospects will be materially and adversely affected.

***We currently face significant competition and expect that intense competition will continue.***

The database software market, for both relational and non-relational database products, is highly competitive, rapidly evolving and others may put out competing databases or sell services in connection with existing open source or source available databases, including ours. The principal competitive factors in our market include: mindshare with software developers and IT executives; product capabilities, including flexibility, scalability, performance, security and reliability; flexible deployment options, including fully managed as a service or self-managed in the cloud, on-premise or in a hybrid environment and ease of deployment; breadth of use cases supported; ease of integration with existing IT infrastructure; robustness of professional services and customer support; price and total cost of ownership; adherence to industry standards and certifications; size of customer base and level of user adoption; strength of sales and marketing efforts; and brand awareness and reputation. If we fail to compete effectively with respect to any of these competitive factors, we may fail to attract new customers or lose or fail to renew existing customers, which would cause our business and results of operations to suffer.

We primarily compete with established legacy database software providers such as IBM, Microsoft, Oracle and other similar companies. We also compete with public cloud providers such as Amazon Web Services (“AWS”), Google Cloud Platform (“GCP”) and Microsoft Azure that offer database functionality and non-relational database software providers. In addition, other large software and internet companies may seek to enter our market.

Some of our actual and potential competitors, in particular the legacy relational database providers and large cloud providers, have advantages over us, such as longer operating histories, more established relationships with current or potential customers and commercial partners, significantly greater financial, technical, marketing or other resources, stronger brand recognition, larger intellectual property portfolios and broader global distribution and presence. Such competitors may make their products available at a low cost or no cost basis in order to enhance their overall relationships with current or potential customers. Our competitors may also be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements. As we introduce new technologies, such as the ones we announced during fiscal year 2021, and as our existing markets see more market entry, we expect competition to intensify in the future. In addition, some of our larger competitors have substantially broader offerings and can bundle competing products with hardware or other software offerings, including their cloud computing and customer relationship management platforms. As a result, customers may choose a bundled offering from our competitors, even if individual products have more limited functionality compared to our software. These larger competitors are also often in a better position to withstand any significant reduction in technology spending and will therefore not be as susceptible to competition or economic downturns. In addition, some competitors may offer products or services that address one or a limited number of functions at lower prices, with greater depth than our products or in geographies where we do not operate.

Furthermore, our actual and potential competitors may establish cooperative relationships among themselves or with third parties that may further enhance their resources and offerings in the markets we address. In addition, third parties with greater available resources may acquire current or potential competitors. As a result of such relationships and acquisitions, our actual or potential competitors might be able to adapt more quickly to new technologies and customer needs, devote greater resources to the promotion or sale of their products, initiate or withstand substantial price competition, take advantage

of other opportunities more readily or develop and expand their offerings more quickly than we do. For all of these reasons, we may not be able to compete successfully against our current or future competitors.

***If we do not effectively expand our sales and marketing organization, we may be unable to add new customers or increase sales to our existing customers.***

Increasing our customer base and achieving broader market acceptance of our subscription offerings and related services will depend, to a significant extent, on our ability to effectively expand our sales and marketing operations and activities. We are substantially dependent on our direct sales force and our marketing efforts to obtain new customers. We plan to continue to expand our sales and marketing organization both domestically and internationally. We believe that there is significant competition for experienced sales professionals with the sales skills and technical knowledge that we require, particularly as we continue to target larger enterprises. Our ability to achieve significant revenue growth in the future will depend, in part, on our success in recruiting, training and retaining a sufficient number of experienced sales professionals, especially in highly competitive markets. New hires require significant training and time before they achieve full productivity, particularly in new or developing sales territories. Our recent hires and planned hires may not become as productive as quickly as we expect, including as a result of the ongoing COVID-19 pandemic and remote work arrangements, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets where we do business. Because of our limited operating history, we cannot predict whether, or to what extent, our sales will increase as we expand our sales and marketing organization or how long it will take for sales personnel to become productive. Our business and results of operations could be harmed if the expansion of our sales and marketing organization does not generate a significant increase in revenue.

***Our adoption strategies include offering Community Server and a free tier of MongoDB Atlas and we may not be able to realize the intended benefits of these strategies.***

To encourage developer usage, familiarity and adoption of our platform, we offer Community Server as a “freemium” offering. Community Server is a free-to-download version of our database that does not include all of the features of our commercial platform. We also offer a free tier of MongoDB Atlas in order to accelerate adoption, promote usage and drive brand and product awareness. We do not know if we will be able to convert these users to paying customers of our platform. Our marketing strategy also depends in part on persuading users who use one of these free versions to convince others within their organization to purchase and deploy our platform. To the extent that users of Community Server or our free tier of MongoDB Atlas do not become, or lead others to become, paying customers, we will not realize the intended benefits of these strategies and our ability to grow our business or achieve profitability may be harmed.

***Our decision to offer Community Server under a new license, the Server Side Public License, may harm adoption of Community Server.***

On October 16, 2018, we announced that we were changing the license for Community Server from the GNU Affero General Public License Version 3 (the “AGPL”) to a new software license, the Server Side Public License (the “SSPL”). The SSPL builds on the spirit of the AGPL, but includes an explicit condition that any organization attempting to exploit MongoDB as a service must open source the software that it uses to offer such service. Since the SSPL is a new license and has not been interpreted by any court, developers and the companies they work for may be hesitant to adopt Community Server because of uncertainty around the provisions of the SSPL and how it will be interpreted and enforced. In addition, the SSPL has not been approved by the Open Source Initiative, nor has it been included in the Free Software Foundation’s list of free software licenses. This may negatively impact adoption of Community Server, which in turn could lead to reduced brand and product awareness, ultimately leading to a decline in paying customers and our ability to grow our business or achieve profitability may be harmed.

***We have invested significantly in our MongoDB Atlas offering and if it fails to achieve market adoption our business, results of operations and financial condition could be harmed.***

We introduced MongoDB Atlas in June 2016. We have limited experience marketing, determining pricing for and selling MongoDB Atlas and we are continuing to refine our approach to selling, marketing, pricing and supporting adoption of this offering. We have directed and intend to continue to direct a significant portion of our financial and operating resources to develop and grow MongoDB Atlas, including offering a free tier of MongoDB Atlas to generate developer usage and awareness. Although MongoDB Atlas has seen rapid adoption since its commercial launch, we cannot guarantee that rate of adoption will continue at the same pace or at all. If we are unsuccessful in our efforts to drive customer adoption of

MongoDB Atlas, or if we do so in a way that is not profitable or fails to compete successfully against our current or future competitors, our business, results of operations and financial condition could be harmed.

***We could be negatively impacted if the AGPL, the SSPL and other open source licenses under which some of our software is licensed are not enforceable.***

The versions of Community Server released prior to October 16, 2018 are licensed under the AGPL. This license states that any program licensed under it may be copied, modified and distributed provided certain conditions are met. On October 16, 2018, we issued a new software license, the SSPL, for all versions of Community Server released after that date. The SSPL builds on the spirit of the AGPL, but includes an explicit condition that any organization using Community Server to offer MongoDB as a third-party service must open source the software that it uses to offer such service. It is possible that a court would hold the SSPL or AGPL to be unenforceable. If a court held either license or certain aspects of this license to be 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 SSPL or AGPL.

***Our licensing model for Community Server could negatively affect our ability to monetize and protect our intellectual property rights.***

We make our Community Server offering available under either the SSPL (for versions released after October 16, 2018) or the AGPL (for versions released prior to October 16, 2018). Community Server is a free-to-download version of our database that includes the core functionality developers need to get started with MongoDB but not all of the features of our commercial platform. Both the SSPL and the AGPL grant licensees broad freedom to view, use, copy, modify and redistribute the source code of Community Server provided certain conditions are met. Some commercial enterprises consider SSPL- or AGPL-licensed software to be unsuitable for commercial use because of the “copyleft” requirements of those licenses. However, some of those same commercial enterprises do not have the same concerns regarding using the software under the SSPL or AGPL for internal purposes. As a result, these commercial enterprises may never convert to paying customers of our platform. Anyone can obtain a free copy of Community Server from the Internet and we do not know who all of our SSPL or AGPL licensees are. Competitors could develop modifications of our software to compete with us in the marketplace. We do not have visibility into how our software is being used by licensees, so our ability to detect violations of the SSPL or AGPL is extremely limited.

In addition to Community Server, we contribute other source code to open source projects under open source licenses and release internal software projects under open source licenses and anticipate doing so in the future. Because the source code for Community Server and any other software we contribute to open source projects or distribute under open source licenses is publicly available, our ability to monetize and protect our intellectual property rights with respect to such source code may be limited or, in some cases, lost entirely.

***Our software incorporates third-party open source software, which could negatively affect our ability to sell our products and subject us to possible litigation.***

Our software includes third-party open source software and we intend to continue to incorporate third-party open source software in our products in the future. There is a risk that the use of third-party open source software in our software could impose conditions or restrictions on our ability to monetize our software. Although we monitor the incorporation of open source software into our products to avoid such restrictions, we cannot be certain that we have not incorporated open source software in our products or platform in a manner that is inconsistent with our licensing model. Certain open source projects also include other open source software and there is a risk that those dependent open source libraries may be subject to inconsistent licensing terms. This could create further uncertainties as to the governing terms for the open source software we incorporate.

In addition, the terms of certain open source licenses to which we are subject have not been interpreted by U.S. or foreign courts and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated restrictions or conditions on our use of such software. Additionally, we may from time to time face claims from third parties claiming ownership of, or demanding release of, the software or derivative works that we developed using such open source software, which could include proprietary portions of our source code, or otherwise seeking to enforce the terms of the open source licenses. These claims could result in litigation and could require us to make those proprietary portions of our source code freely available, purchase a costly license or cease offering the implicated software or services unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and development resources and we may not be able to complete it successfully.

In addition to risks related to license requirements, use of third-party open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties. In addition, licensors of open source software included in our offerings may, from time to time, modify the terms of their license agreements in such a manner that those license terms may become incompatible with our licensing model and thus could, among other consequences, prevent us from incorporating the software subject to the modified license.

Any of these risks could be difficult to eliminate or manage and if not addressed, could have a negative effect on our business, results of operations and financial condition.

***If we are not able to introduce new features or services successfully and to make enhancements to our software or services, our business and results of operations could be adversely affected.***

Our ability to attract new customers and increase revenue from existing customers depends in part on our ability to enhance and improve our software and to introduce new features and services. To grow our business and remain competitive, we must continue to enhance our software and develop features that reflect the constantly evolving nature of technology and our customers' needs. The success of new products, enhancements and developments depends on several factors: our anticipation of market changes and demands for product features, including timely product introduction and conclusion, sufficient customer demand, cost effectiveness in our product development efforts and the proliferation of new technologies that are able to deliver competitive products and services at lower prices, more efficiently, more conveniently or more securely. In addition, because our software is designed to operate with a variety of systems, applications, data and devices, we will need to continuously modify and enhance our software to keep pace with changes in such systems. We may not be successful in developing these modifications and enhancements. Furthermore, the addition of features and solutions to our software will increase our research and development expenses. Any new features that we develop may not be introduced in a timely or cost-effective manner or may not achieve the market acceptance necessary to generate sufficient revenue to justify the related expenses. It is difficult to predict customer adoption of new features. Such uncertainty limits our ability to forecast our future results of operations and subjects us to a number of challenges, including our ability to plan for and model future growth. If we cannot address such uncertainties and successfully develop new features, enhance our software or otherwise overcome technological challenges and competing technologies, our business and results of operations could be adversely affected.

We also offer professional services including consulting and training and must continually adapt to assist our customers in deploying our software in accordance with their specific IT strategies. If we cannot introduce new services or enhance our existing services to keep pace with changes in our customers' deployment strategies, we may not be able to attract new customers, retain existing customers and expand their use of our software or secure renewal contracts, which are important for the future of our business.

***Our success is highly dependent on our ability to penetrate the existing market for database products, as well as the growth and expansion of the market for database products.***

Our future success will depend in large part on our ability to service existing demand, as well as the continued growth and expansion of the database market. It is difficult to predict demand for our offerings, the conversion from one to the other and related services and the size, growth rate and expansion of these markets, the entry of competitive products or the success of existing competitive products. Our ability to penetrate the existing database market and any expansion of the market depends on a number of factors, including cost, performance and perceived value associated with our subscription offerings, as well as our customers' willingness to adopt an alternative approach to relational and other database products available in the market. Furthermore, many of our potential customers have made significant investments in relational databases, such as offerings from Oracle and may be unwilling to invest in new products. If the market for databases fails to grow at the rate that we anticipate or decreases in size or we are not successful in penetrating the existing market, our business would be harmed.

***Our future quarterly results may fluctuate significantly and if we fail to meet the expectations of analysts or investors, our stock price could decline substantially.***

Our results of operations, including our revenue, operating expenses and cash flows may vary significantly in the future 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 and period-to-period comparisons of our operating results may not be meaningful. Some of the factors that may cause our results of operations to fluctuate from quarter to quarter include:

- changes in actual and anticipated growth rates of our revenue, customers and other key operating metrics;

- new product announcements, pricing changes and other actions by competitors;
- the mix of revenue and associated costs attributable to subscriptions for our MongoDB Enterprise Advanced and MongoDB Atlas offerings (such as our non-cancelable multi-year cloud infrastructure capacity commitments, which require us to pay for such capacity irrespective of actual usage) and professional services, as such relative mix may impact our gross margins and operating income;
- the mix of revenue and associated costs attributable to sales where subscriptions are bundled with services versus sold on a standalone basis and sales by us and our partners;
- our ability to attract new customers;
- our ability to effectively expand our sales and marketing capabilities and teams;
- our ability to retain customers and expand their usage of our software, particularly for our largest customers;
- shelter-in-place or similar orders, private travel limitation, or business disruption in regions affecting our operations, stemming from actual, imminent or perceived outbreak of contagious disease, including the ongoing COVID-19 pandemic;
- our inability to enforce the AGPL or SSPL;
- delays in closing sales, including the timing of renewals, which may result in revenue being pushed into the next quarter, particularly because a large portion of our sales occur toward the end of each quarter;
- the timing of revenue recognition;
- the mix of revenue attributable to larger transactions as opposed to smaller transactions;
- changes in customers' budgets and in the timing of their budgeting cycles and purchasing decisions;
- customers and potential customers opting for alternative products, including developing their own in-house solutions, or opting to use only the free version of our products;
- fluctuations in currency exchange rates;
- our ability to control costs, including our operating expenses;
- the timing and success of new products, features and services offered by us and our competitors or any other change in the competitive dynamics of our industry, including consolidation among competitors, customers or strategic partners;
- significant security breaches of, technical difficulties with, or interruptions to, the delivery and use of our software;
- our failure to maintain the level of service uptime and performance required by our customers;
- the collectability of receivables from customers and resellers, which may be hindered or delayed if these customers or resellers experience financial distress;
- changes in political and economic conditions, in domestic or international markets, including developments resulting from the recent United States presidential and congressional elections and change of administration in the United States;
- general economic conditions, both domestically and internationally, as well as economic conditions specifically affecting industries in which our customers participate, including those conditions related to the ongoing COVID-19 pandemic;
- sales tax and other tax determinations by authorities in the jurisdictions in which we conduct business;
- the impact of new accounting pronouncements; and
- fluctuations in stock-based compensation expense.

The occurrence of one or more of the foregoing and other factors may cause our results of operations to vary significantly. For example, the full impact of the ongoing COVID-19 pandemic is unknown at this time, but 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. Moreover, fluctuations in our quarterly operating results and the price of our Class A

common stock may be particularly pronounced in the current economic environment due to the uncertainty caused by and the unprecedented nature of the COVID-19 pandemic. We also intend to continue to invest significantly to grow our business in the near future rather than optimizing for profitability or cash flows. Accordingly, historical patterns and our results of operations in any one quarter may not be meaningful and should not be relied upon as indicative of future performance. Additionally, if our quarterly results of operations fall below the expectations of investors or securities analysts who follow our stock, the price of our Class A common stock could decline substantially and we could face costly lawsuits, including securities class action suits.

***We have experienced rapid growth in recent periods. If we fail to continue to grow and to manage our growth effectively, we may be unable to execute our business plan, increase our revenue, improve our results of operations, maintain high levels of service, or adequately address competitive challenges.***

We have recently experienced rapid growth in our business, operations and employee headcount. For fiscal years 2021, 2020 and 2019, our total revenue was \$590.4 million, \$421.7 million and \$267.0 million, respectively, representing a 40% and 58% growth rate, respectively. We have also significantly increased the size of our customer base from over 3,200 customers as of January 31, 2017 to over 24,800 customers as of January 31, 2021 and we grew from 713 employees as of January 31, 2017 to 2,539 employees as of January 31, 2021. We expect to continue to expand our operations and employee headcount in the near term. Our success will depend in part on our ability to continue to grow and to manage this growth, domestically and internationally, effectively.

Our recent growth has placed, and future growth will continue to place, a significant strain on our management, administrative, operational and financial infrastructure. We will need to continue to improve our operational, financial and management processes and controls and our reporting systems and procedures to manage the expected growth of our operations and personnel, which will require significant expenditures and allocation of valuable management and employee resources. If we fail to implement these infrastructure improvements effectively, our ability to ensure uninterrupted operation of key business systems and comply with the rules and regulations that are applicable to public reporting companies will be impaired. Further, if we do not effectively manage the growth of our business and operations, the quality of our products and services could suffer, the preservation of our culture, values and entrepreneurial environment may change and we may not be able to adequately address competitive challenges. This could impair our ability to attract new customers, retain existing customers and expand their use of our products and services, all of which would adversely affect our brand, overall business, results of operations and financial condition.

***If our security measures, or those of our service providers, are breached or unauthorized access to personal data or otherwise private or proprietary data is otherwise obtained, our software may be perceived as not being secure, customers may reduce or terminate their use of our software and we may face litigation, regulatory investigations, significant liability and reputational damage.***

In the ordinary course of our business, we collect, store and process personal data and other confidential information of our employees and our customers. We collect such information from individuals located both in the United States and abroad and may store or process such information outside of the country in which it was collected. We use third-party service providers and subprocessors to help us deliver services to our customers. These third-party service providers and subprocessors may store or process personal data and/or other confidential information of our employees and our customers. While we have taken steps to protect the security of the information that we handle, there can be no assurance that any security measures that we or our third-party service providers and subprocessors have implemented will be effective against current or future security threats. Our security measures or those of our third-party service providers and subprocessors could fail and result in unauthorized access to or use of our platform, systems or network, or unauthorized, accidental or unlawful access to, or disclosure, modification, misuse, loss or destruction of, our or our customers' data, including personal data (a "Security Breach"). If our security measures are compromised now, or in the future, this could result in a material adverse effect, including without limitation, a material operational or service interruption, harm to our reputation, significant fines, penalties and liability, breach or triggering of data protection laws, privacy policies and contractual obligations, loss of customers or sales, or users curtailing or ceasing their use of our software and services.

Furthermore, applicable data protection laws, privacy policies and contractual obligations may require us to implement specific security measures or use industry-standard or reasonable security measures to protect against Security Breaches. We may be required to expend significant resources, fundamentally change our business activities and practices, or modify our platform, services, software, operations or information technology in an effort to protect against Security Breaches and to mitigate, detect, and remediate actual and potential vulnerabilities.

In addition, because our software, which can be deployed in the cloud, on-premise or in a hybrid environment and can be hosted by our customers or can be hosted by us as a service, allows customers to store and transmit data, there exists an inherent risk of a Security Breach or other security incident, which may result in the loss of, or unauthorized access to, this data. For example, industry publications have reported ransomware attacks on MongoDB instances. We believe these attacks were successful due to the failure by users of our Community Server offering to properly turn on the recommended security settings when running these instances.

Cyberattacks and other malicious internet-based activity continue to increase and the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target. Third parties may attempt to fraudulently induce our employees and contractors into disclosing sensitive information such as user names, passwords, or other information or otherwise compromise the security of our electronic systems, networks, and/or physical facilities in order to gain access to our data or the data of organizations on our platform. Security Breaches may arise out of malicious activity, exposure of access credentials, errors and omissions, system misuse, and inadvertent disclosures caused by or resulting from our employees or contractors. Such employees and contractors pose increased risk if they have access to sensitive systems, data and customer information. Additionally, due to the COVID-19 pandemic, nearly all of our employees are temporarily working remotely, which may pose additional data security risks. For example, we have seen an increase in phishing and spam emails as well as social engineering attempts from “hackers” hoping to use the ongoing COVID-19 pandemic to their advantage. In addition to traditional computer “hackers,” malicious code (such as malware, viruses, worms and ransomware), business email compromises, password spraying, employee theft or misuse and denial-of-service (“DoS”) attacks, we also face threats from sophisticated organized crime, nation-state and nation-state supported actors who engage in attacks (including advanced persistent threat intrusions, ransomware attacks, and supply-chain attacks) that add to the risks to us, our internal systems and our partners’ systems. We cannot guarantee that our security measures will be sufficient to protect against unauthorized access to or other compromise of the personal data and/or other confidential information of our employees or customers.

The techniques used to sabotage or to obtain unauthorized access to our platform, systems, networks and/or physical facilities in which data is stored or through which data is transmitted change frequently and we may be unable to implement adequate preventative measures or stop Security Breaches while they are occurring. We may also experience Security Breaches that may remain undetected for an extended period. In addition, security researchers and other individuals have in the past and will continue in the future to actively search for and exploit actual and potential vulnerabilities in our (or our third parties’) information technology, services, communications or software. We cannot be certain that we will be able to address any such vulnerabilities, in whole or part, and there may be delays in developing and deploying patches and other remedial measures to adequately address vulnerabilities. We expect similar issues to arise in the future as our services are more widely adopted, and as we continue to expand the features and functionality of existing services and introduce new services. Any actual or perceived failure to maintain the performance, reliability, confidentiality, integrity, and availability of our platform to the satisfaction of our customers may harm our reputation and our ability to retain existing customers and attract new customers.

Any Security Breach or other security incident could harm our reputation and lead to litigation, indemnity obligations, regulatory investigations and enforcement actions and other liabilities. Litigation with our customers could result in significant costs for remediation that may include liability for stolen assets or information and repair of system damage that may have been caused, incentives offered to customers or other business partners in an effort to maintain business relationships after a breach and other liabilities. There can be no assurance that the limitations of liability in our contracts would be enforceable or adequate or would otherwise protect us from liabilities or damages if we fail to comply with applicable data protection laws, privacy policies or contractual obligations related to Security Breaches.

Furthermore, most jurisdictions have enacted laws requiring companies to notify individuals, regulatory authorities and others of Security Breaches involving certain types of data. Such mandatory disclosures are costly, could lead to negative publicity, may cause our customers to lose confidence in the effectiveness of our security measures and require us to expend significant capital and other resources to respond to and/or alleviate problems caused by the actual or perceived Security Breach.

We may also face regulatory investigations and actions and fines and penalties for violations of applicable data protection laws or regulations. These litigation and regulatory proceedings could force us to spend money in defense or settlement, divert management’s time and attention, increase our costs of doing business and adversely affect our reputation. We could be required to fundamentally change our business activities and practices or modify our products in response to such litigation, which could have an adverse effect on our business.

While we maintain general liability insurance coverage and coverage for errors or omissions, we cannot assure you that such coverage will be adequate or otherwise protect us from liabilities or damages with respect to claims alleging compromises of personal or other confidential data or otherwise relating to privacy or data security matters. The successful assertion of one or more large claims against us that exceeds our available insurance coverage, or results in changes to our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our business. In addition, we cannot be sure that our existing insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or that our insurers will not deny coverage as to any future claim.

***Our sales cycle may be long and is unpredictable and our sales efforts require considerable time and expense.***

The timing of our sales and related revenue recognition is difficult to predict because of the length and unpredictability of the sales cycle for our offerings. We are often required to spend significant time and resources to better educate and familiarize potential customers with the value proposition of paying for our products and services. The length of our sales cycle, from initial evaluation to payment for our offerings is generally three to nine months, but can vary substantially from customer to customer or from application to application within a given customer. As the purchase and deployment of our products can be dependent upon customer initiatives, our sales cycle can extend to more than a year for some customers. Customers often view a subscription to our products and services as a strategic decision and significant investment and, as a result, frequently require considerable time to evaluate, test and qualify our product offering prior to entering into or expanding a subscription. During the sales cycle, we expend significant time and money on sales and marketing and contract negotiation activities, which may not result in a sale. Additional factors that may influence the length and variability of our sales cycle include:

- the effectiveness of our sales force, in particular new sales people as we increase the size of our sales force;
- the discretionary nature of purchasing and budget cycles and decisions;
- the obstacles placed by a customer's procurement process;
- our ability to convert users of our free offerings to paying customers;
- economic conditions and other factors impacting customer budgets;
- customer evaluation of competing products during the purchasing process; and
- evolving customer demands.

Given these factors, it is difficult to predict whether and when a sale will be completed and when revenue from a sale will be recognized, particularly the timing of revenue recognition related to the term license portion of our subscription revenue. This could impact the variability and comparability of our quarterly revenue results and may have an adverse effect on our business, results of operations and financial condition.

***We have a limited history with our subscription offerings and pricing model and if, in the future, we are forced to reduce prices for our subscription offerings, our revenue and results of operations will be harmed.***

We have limited experience with respect to determining the optimal prices for our subscription offerings. As the market for databases evolves, or as new competitors introduce new products or services that compete with ours, we may be unable to attract new customers or convert users of our free offerings to paying customers on terms or based on pricing models that we have used historically. In the past, we have been able to increase our prices for our subscription offerings, but we may choose not to introduce or be unsuccessful in implementing future price increases. As a result of these and other factors, in the future we may be required to reduce our prices or be unable to increase our prices, or it may be necessary for us to increase our services or product offerings without additional revenue to remain competitive, all of which could harm our results of operations and financial condition.

***If we are unable to attract new customers in a manner that is cost-effective and assures customer success, we will not be able to grow our business, which would adversely affect our results of operations and financial condition.***

In order to grow our business, we must continue to attract new customers in a cost-effective manner and enable these customers to realize the benefits associated with our products and services. We may not be able to attract new customers for a variety of reasons, including as a result of their use of traditional relational and/or other database products and their internal timing, budget or other constraints that hinder their ability to migrate to or adopt our products or services.

Even if we do attract new customers, the cost of new customer acquisition, product implementation and ongoing customer support may prove so high as to prevent us from achieving or sustaining profitability. For example, in fiscal years 2021, 2020 and 2019, total sales and marketing expense represented 55%, 53% and 56% of revenue, respectively. We intend to continue to hire additional sales personnel, increase our marketing activities to help educate the market about the benefits of our platform and services, grow our domestic and international operations and build brand awareness. We also intend to continue to cultivate our relationships with developers through continued investment and growth of our MongoDB World, MongoDB Advocacy Hub, User Groups, MongoDB University and our partner ecosystem of global system integrators, value-added resellers and independent software vendors. If the costs of these sales and marketing efforts increase dramatically, if we do not experience a substantial increase in leverage from our partner ecosystem, or if our sales and marketing efforts do not result in substantial increases in revenue, our business, results of operations and financial condition may be adversely affected. In addition, while we expect to continue to invest in our professional services organization to accelerate our customers' ability to adopt our products and ultimately create and expand their use of our products over time, we cannot assure you that any of these investments will lead to the cost-effective acquisition of additional customers.

***Our business and results of operations depend substantially on our customers renewing their subscriptions with us and expanding their use of software and related services. Any decline in our customer renewals or failure to convince our customers to broaden their use of subscription offerings and related services would harm our business, results of operations and financial condition.***

Our subscription offerings are term-based and a majority of our subscription contracts were one year in duration in fiscal year 2020. In order for us to maintain or improve our results of operations, it is important that our customers renew their subscriptions with us when the existing subscription term expires and renew on the same or more favorable quantity and terms. Our customers have no obligation to renew their subscriptions and we may not be able to accurately predict customer renewal rates. In addition, the growth of our business depends in part on our customers expanding their use of subscription offerings and related services. Historically, some of our customers have elected not to renew their subscriptions with us for a variety of reasons, including as a result of changes in their strategic IT priorities, budgets, costs and, in some instances, due to competing solutions. Our retention rate may also decline or fluctuate as a result of a number of other factors, including our customers' satisfaction or dissatisfaction with our software, the increase in the contract value of subscription and support contracts from new customers, the effectiveness of our customer support services, our pricing, the prices of competing products or services, mergers and acquisitions affecting our customer base, global economic conditions and the other risk factors described herein. As a result, we cannot assure you that customers will renew subscriptions or increase their usage of our software and related services. If our customers do not renew their subscriptions or renew on less favorable terms, or if we are unable to expand our customers' use of our software, our business, results of operations and financial condition may be adversely affected.

***If we fail to offer high quality support, our business and reputation could suffer.***

Our customers rely on our personnel for support of our software and services included in our subscription packages. High-quality support is important for the renewal and expansion of our agreements with existing customers. The importance of high-quality support will increase as we expand our business and pursue new customers. If we do not help our customers quickly resolve issues and provide effective ongoing support, our ability to sell new software to existing and new customers could suffer and our reputation and relationships with existing or potential customers could be harmed.

***Real or perceived errors, failures or bugs in our software could adversely affect our business, results of operations, financial condition and growth prospects.***

Our software is complex and therefore, undetected errors, failures or bugs have occurred in the past and may occur in the future. Our software is used in IT environments with different operating systems, system management software, applications, devices, databases, servers, storage, middleware, custom and third-party applications and equipment and networking configurations, which may cause errors or failures in the IT environment into which our software is deployed. This diversity increases the likelihood of errors or failures in those IT environments. Despite testing by us, real or perceived errors, failures or bugs may not be found until our customers use our software. Real or perceived errors, failures or bugs in our products could result in negative publicity, loss of or delay in market acceptance of our software, regulatory investigations and enforcement actions, harm to our brand, weakening of our competitive position, or claims by customers for losses sustained by them or failure to meet the stated service level commitments in our customer agreements. In such an event, we may be required, or may choose, for customer relations or other reasons, to expend significant additional resources in order to help correct the problem. Any errors, failures or bugs in our software could also impair our ability to attract new

customers, retain existing customers or expand their use of our software, which would adversely affect our business, results of operations and financial condition.

***Because our software and services could be used to collect and store personal data, domestic and international privacy concerns could result in additional costs and liabilities to us or inhibit sales of our software.***

Data privacy has become a significant issue in the United States, Europe and in many other countries and jurisdictions where we offer our software and services. Our software and services can be used to collect and store substantial amounts of personal data. We are subject to a variety of federal, state, local and foreign laws, directives, rules and regulations relating to the collection, use, storage, retention, security, disclosure, transfer, breach notification procedures and other processing of personal data. The regulatory framework for privacy issues is rapidly evolving and interpretation of these laws, rules and regulations and their application to our software and professional services in the United States and foreign jurisdictions is ongoing and cannot be fully determined at this time.

In the United States, these include rules and regulations promulgated under the authority of the Federal Trade Commission, the Electronic Communications Privacy Act, Computer Fraud and Abuse Act, the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), the Gramm Leach Bliley Act and state laws relating to privacy, data security and data breaches. For example, California enacted the California Consumer Privacy Act (the “CCPA”) in 2018, which became effective on January 1, 2020, with implementing regulations that came into effect on August 14, 2020. The CCPA introduced new requirements regarding the handling of personal information of California consumers and households. The law gives individuals the right to request access to and deletion of their information and the right to opt out of sales of their personal information. The CCPA also authorizes private lawsuits to recover statutory damages for certain data breaches. In addition, a new California ballot initiative, the California Privacy Rights Act (the “CPRA”), was passed in November 2020. Effective January 1, 2023, the CPRA will impose additional obligations on companies covered by the legislation and will significantly modify the CCPA, including by expanding consumers’ rights with respect to certain sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. The effects of the CCPA and the CPRA are potentially significant and may require us to modify our data collection or processing practices and policies and increase our compliance costs and potential liability with respect to personal information we collect about California residents. California and other states may enact further privacy and data security legislation in the coming years. In addition to government regulation, privacy advocates and industry groups may propose new and different self-regulatory standards that may apply to us.

Internationally, virtually every jurisdiction in which we operate has established its own data security and privacy legal framework with which we or our customers must comply, including, but not limited to, the European Economic Area (“E.E.A.”), Switzerland, the United Kingdom (“U.K.”), Canada, Brazil and other countries. The collection, use, disclosure, transfer, or other processing of personal data regarding individuals in the E.E.A and Switzerland is subject to the General Data Protection Regulation (the “GDPR”), which came into effect in May 2018, and other European laws governing the processing of personal data. Data protection authorities in the E.E.A. and Switzerland, have the power to impose administrative fines for violations of the GDPR of up to a maximum of €20 million or 4% of the entity’s total worldwide global turnover for the preceding financial year, whichever is higher and violations of the GDPR may also lead to damages claims by data controllers and data subjects. Since we act as a data processor for our MongoDB Atlas customers, we have taken steps to cause our processes to be compliant with applicable portions of the GDPR, but because of the ambiguities in the GDPR and the evolving interpretation of the GDPR by data protection authorities, we cannot assure you that such steps are complete or effective. Countries outside Europe, including without limitation Brazil, which recently enacted the General Data Protection Law (*Lei Geral Proteção de Dados Pessoais or LGPD*) (Law No. 13,709/2018), are implementing significant limitations on the processing of personal data, similar to those in the GDPR. On June 5, 2020, Japan passed amendments to its Act on the Protection of Personal data, or APPI. Both laws broadly regulate the processing of personal data in a manner comparable to the GDPR, and violators of the LGPD and APPI face substantial penalties.

Some of the foreign data protection laws, including without limitation the GDPR, may restrict the cross-border transfer of personal data, such as transfers of data to the United States from the E.E.A and Switzerland. These laws may require data exporters and data importers - as a condition of cross-border data transfers - to implement specific safeguards to protect the transferred personal data.

The GDPR prohibits the transfer of personal data from the E.E.A to the United States and most other countries unless an approved compliance mechanism has been implemented. On July 16, 2020, the Court of Justice of the European Union issued a decision invalidating the EU-US Privacy Shield framework, which companies had generally relied upon for the transfer of data from the European Union (“EU”) to the United States, on the grounds that the EU-US Privacy Shield failed to

offer adequate protections to EU personal data transferred to the United States. While the Court of Justice upheld the use of other data transfer mechanisms, such as the Standard Contractual Clauses, the decision has led to some uncertainty regarding the use of such mechanisms for data transfers to the United States, and the court made clear that reliance on Standard Contractual Clauses alone may not necessarily be sufficient in all circumstances. The use of Standard Contractual Clauses for the transfer of personal data specifically to the United States also remains under review by a number of European data protection supervisory authorities. For example, German and Irish supervisory authorities have indicated that the Standard Contractual Clauses alone provide inadequate protection for EU-US data transfers. Use of the data transfer mechanisms must now be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country, in particular applicable surveillance laws and rights of individuals. The European Data Protection Board issued additional guidance regarding the Court of Justice's decision on November 11, 2020, which imposes higher burdens on the use of data transfer mechanisms, such as the Standard Contractual Clauses, for cross-border data transfers. To comply with this guidance, we may need to implement additional safeguards to further enhance the security of data transferred out of the E.E.A., which could increase our compliance costs, expose us to further regulatory scrutiny and liability, and adversely affect our business. Further, the European Commission published new versions of the Standard Contractual Clauses for comment and is expected to finalize and implement the new Standard Contractual Clauses in early 2021. Any inability to transfer personal data to the U.S. from the E.E.A., Switzerland or the U.K. in compliance with the GDPR and European data protection laws may impede our ability to attract and retain customers and adversely affect our business and financial position. We may also be required to incur significant costs and increase our foreign data processing capabilities in an effort to comply with these requirements, and there is no assurance they will be successful.

In addition to the GDPR, the Privacy and Electronic Communications Directive 2002 ("e-Privacy Directive") covers electronic marketing, the use of cookies (and similar technologies) and privacy and confidentiality in electronic communications that pertain to E.U. and U.K. residents. There are proposals to replace the e-Privacy Directive with an e-Privacy Regulation, currently in draft form. The draft e-Privacy Regulation seeks to improve individuals' privacy and updates the existing privacy and electronic communications regime to cover recent technological developments and bring it in line with the GDPR. Complying with foreign data protection laws like the GDPR, e-Privacy Directive and the e-Privacy Regulation (when it becomes effective) may cause us to incur substantial operational costs, require us to change our business practices, or increase our exposure to regulatory enforcement action. Despite our compliance efforts, we may not be successful in achieving compliance either due to internal or external factors such as resource allocation limitations or a lack of vendor cooperation. We may find it necessary to establish systems to maintain locally the personal data originating from the EU, or to protect a person's privacy, which may involve substantial expense and distraction from other aspects of our business.

Additionally, the U.K. implemented the Data Protection Act, effective May 2018 and statutorily amended in 2019, that contains provisions, including its own derogations, for how the GDPR is applied in the U.K. These developments could increase the risk of non-compliance and the costs of providing our products and services in a compliant manner. From the beginning of 2021 (when the transitional period following Brexit expired), we have to continue to comply with the GDPR and also the Data Protection Act. The relationship between the U.K. and the EU remains uncertain, for example how data transfers between the U.K. and the EU and other jurisdictions will be treated and the role of the U.K.'s supervisory authority. The EU is expected to either issue an adequacy decision for personal data transfers from the E.E.A. to the U.K. in early 2021, or an adequacy mechanism, such as the Standard Contractual Clauses, will be required for transfer of personal data from the E.E.A. to the U.K. We may incur substantial expense in complying with any new obligations, and we may be required to make significant changes in our business operations, all of which may adversely affect our revenues and our business overall.

In addition to Europe, countries that have enacted data protection laws, including Brazil, may issue regulations and other interpretations of such laws that may restrict cross-border transfers of personal data from those countries in a manner similar to the restrictions imposed by the GDPR.

Because the interpretation and application of privacy and data protection laws, regulations, rules and other standards are still uncertain and likely to remain uncertain for the foreseeable future, it is possible that these laws, rules, regulations and other actual or alleged legal obligations, such as contractual or self-regulatory obligations, may be interpreted and applied in a manner that is inconsistent with our data management practices or the features of our software. If so, in addition to the possibility of fines, lawsuits and other claims, we could be required to fundamentally change our business activities and practices or modify our software, which we may be unable to do in a commercially reasonable manner or at all and which could have an adverse effect on our business. Any inability to adequately address privacy concerns, even if unfounded, or comply with applicable privacy or data protection laws, regulations and other actual or alleged obligations, could result in additional cost and liability to us, damage our reputation, inhibit sales and adversely affect our business.

In addition, because data security and privacy are critical competitive factors in our industry, we publish privacy policies and other documentation regarding our collection, processing, use and disclosure of personal data and/or other confidential information. Although we endeavor to comply with our published policies, certifications and documentation, we may at times fail to do so, may be perceived to have failed to do so, or be alleged to have failed to do so. Moreover, despite our efforts, we may not be successful in achieving compliance if our employees or vendors fail to comply with our published policies, certifications and documentation. The publication of our privacy policies and other documentation that provide promises and assurances about data security and privacy can subject us to potential government or legal action if they are found to be deceptive, unfair or misrepresentative of our actual practices. Should any of these statements prove to be untrue or be perceived as untrue, even if because of circumstances beyond our reasonable control, we may face litigation, disputes, claims, investigations, inquiries or other proceedings by the U.S. Federal Trade Commission, federal, state and foreign regulators, our customers and private litigants, which could adversely affect our business, reputation, results of operations and financial condition.

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 software. Privacy concerns, whether valid or not valid, may inhibit market adoption of our software particularly in certain industries and foreign countries.

***The estimates of market opportunity and forecasts of market growth included in this Form 10-K may prove to be inaccurate and even if the market in which we compete achieves the forecasted growth, our business could fail to grow at similar rates, if at all.***

Market opportunity estimates and growth forecasts included in this Form 10-K are subject to significant uncertainty and are based on third-party assumptions and estimates that may not prove to be accurate. The market in which we compete may not meet the size estimates and may not achieve the growth forecast referenced in this Form 10-K. Even if the market in which we compete meets the size estimates and the growth forecast referenced in this Form 10-K, our business could fail to grow at similar rates, if at all, for a variety of reasons, which would adversely affect our results of operations.

***We could incur substantial costs in protecting or defending our intellectual property rights and any failure to protect our intellectual property rights could reduce the value of our software and brand.***

Our success and ability to compete depend in part upon our intellectual property rights. As of January 31, 2021, we had 45 issued patents and 36 pending patent applications in the United States, which may not result in issued patents. Even if a patent issues, we cannot assure you that such patent will be adequate to protect our business. We primarily rely on copyright, trademark laws, trade secret protection and confidentiality or other contractual arrangements with our employees, customers, partners and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may not be adequate. In order to protect our intellectual property rights, we may be required to spend significant resources to establish, monitor and enforce such rights. Litigation brought to enforce our intellectual property rights could be costly, time-consuming and distracting to management and could be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights, which may result in the impairment or loss of portions of our intellectual property. The local laws of some foreign countries do not protect our intellectual property rights to the same extent as the laws of the United States and effective intellectual property protection and mechanisms may not be available in those jurisdictions. We may need to expend additional resources to defend our intellectual property in these countries and our inability to do so could impair our business or adversely affect our international expansion. Even if we are able to secure our intellectual property rights, there can be no assurances that such rights will provide us with competitive advantages or distinguish our products and services from those of our competitors or that our competitors will not independently develop similar technology.

In addition, we regularly contribute source code under open source licenses and have made some of our own software available under open source or source available licenses and we include third-party open source software in our products. Because the source code for any software we contribute to open source projects or distribute under open source or source available licenses is publicly available, our ability to protect our intellectual property rights with respect to such source code may be limited or lost entirely. In addition, from time to time, we may face claims from third parties claiming ownership of, or demanding release of, the software or derivative works that we have developed using third-party open source software, which could include our proprietary source code, or otherwise seeking to enforce the terms of the applicable open-source license.

***We have been and may in the future be, subject to intellectual property rights claims by third parties, which may be costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies.***

Companies in the software and technology industries, including some of our current and potential competitors, own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. We have in the past and may in the future be subject to claims that we have misappropriated, misused or infringed the intellectual property rights of our competitors, non-practicing entities or other third parties. This risk is exacerbated by the fact that our software incorporates third-party open source software. For example, Realtime Data (“Realtime”) filed a lawsuit against us in the United States District Court for the District of Delaware in March 2019 alleging that we are infringing three U.S. patents that it holds: the 908 Patent, the 751 Patent and the 825 Patent. The patent infringement allegations in the lawsuit relate to data compression, decompression, storage and retrieval. This action is currently stayed. See the section titled “Item 3. Legal Proceedings.”

Any intellectual property claims, with or without merit, could be very time-consuming and expensive and could divert our management’s attention and other resources. These claims could also subject us to significant liability for damages, potentially including treble damages if we are found to have willfully infringed patents or copyrights. These claims could also result in our having to stop using technology found to be in violation of a third party’s rights, some of which we have invested considerable effort and time to bring to market. We might be required to seek a license for the intellectual property, which may not be available on reasonable terms or at all. Even if a license is available, we could be required to pay significant royalties, which would increase our operating expenses. As a result, we may be required to develop alternative non-infringing technology, which could require significant effort and expense. If we cannot license or develop technology for any aspect of our business that may ultimately be determined to infringe on the intellectual property rights of another party, we could be forced to limit or stop sales of subscriptions to our software and may be unable to compete effectively. Any of these results would adversely affect our business, results of operations and financial condition.

***If we are unable to maintain successful relationships with our partners, our business, results of operations and financial condition could be harmed.***

In addition to our direct sales force and our website, we use strategic partners, such as global system integrators, value-added resellers and independent software vendors to sell our subscription offerings and related services. Our agreements with our partners are generally nonexclusive, meaning our partners may offer their customers products and services of several different companies, including products and services that compete with ours, or may themselves be or become competitors. If our partners do not effectively market and sell our subscription offerings and related services, choose to use greater efforts to market and sell their own products and services or those of our competitors, or fail to meet the needs of our customers, our ability to grow our business and sell our subscription offerings and related services may be harmed. Our partners may cease marketing our subscription offerings or related services 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 growth objectives and results of operations.

***We rely upon third-party cloud providers to host our cloud offering; any disruption of or interference with our use of third-party cloud providers would adversely affect our business, results of operations and financial condition.***

We outsource substantially all of the infrastructure relating to MongoDB Atlas across AWS, Microsoft Azure and GCP to host our cloud offering. Customers of MongoDB Atlas need to be able to access our platform at any time, without interruption or degradation of performance and we provide them with service level commitments with respect to uptime. Third-party cloud providers run their own platforms that we access and we are, therefore, vulnerable to their service interruptions. We may experience interruptions, delays and outages in service and availability from time to time as a result of problems with our third-party cloud providers’ infrastructure. Lack of availability of this infrastructure could be due to a number of potential causes including technical failures, natural disasters, fraud or security attacks that we cannot predict or prevent. Such outages could lead to the triggering of our service level agreements and the issuance of credits to our cloud offering customers, which may impact our business, results of operations and financial condition. In addition, if our security, or that of any of these third-party cloud providers, is compromised, our software is unavailable or our customers are unable to use our software within a reasonable amount of time or at all, then our business, results of operations and financial condition could be adversely affected. In some instances, we may not be able to identify the cause or causes of these performance problems within a period of time acceptable to our customers. It is possible that our customers and potential customers would hold us accountable for any breach of security affecting a third-party cloud provider’s infrastructure and we may incur significant liability from those customers and from third parties with respect to any breach affecting these systems. We may not be able to recover a material portion of our liabilities to our customers and third parties from a third-party cloud provider.

It may also become increasingly difficult to maintain and improve our performance, especially during peak usage times, as our software becomes more complex and the usage of our software increases. Any of the above circumstances or events may harm our business, results of operations and financial condition.

***Interruptions or performance problems associated with our technology and infrastructure may adversely affect our business, results of operations and financial condition.***

Our continued growth depends in part on the ability of our existing customers and new customers to access our software at any time and within an acceptable amount of time. We may experience service disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes or failures, human or software errors, malicious acts, terrorism or capacity constraints. Capacity constraints could be due to a number of potential causes including technical failures, natural disasters, fraud or security attacks. In some instances, we may not be able to identify and/or remedy the cause or causes of these performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve our performance as our software offerings and customer implementations become more complex. If our software is unavailable or if our customers are unable to access features of our software within a reasonable amount of time or at all, or if other performance problems occur, our business, results of operations and financial conditions may be adversely affected.

***Incorrect or improper implementation or use of our software could result in customer dissatisfaction and harm our business, results of operations, financial condition and growth prospects.***

Our database software and related services are designed to be deployed in a wide variety of technology environments, including in large-scale, complex technology environments and we believe our future success will depend at least, in part, on our ability to support such deployments. Implementations of our software may be technically complicated and it may not be easy to maximize the value of our software without proper implementation and training. For example, industry publications have reported ransomware attacks on MongoDB instances. We believe these attacks were successful due to the failure by users of our Community Server offering to properly turn on the recommended security settings when running these instances. If our customers are unable to implement our software successfully, or in a timely manner, customer perceptions of our company and our software may be impaired, our reputation and brand may suffer and customers may choose not to renew their subscriptions or increase their purchases of our related services.

Our customers and partners need regular training in the proper use of and the variety of benefits that can be derived from our software to maximize its potential. We often work with our customers to achieve successful implementations, particularly for large, complex deployments. Our failure to train customers on how to efficiently and effectively deploy and use our software, or our failure to provide effective support or professional services to our customers, whether actual or perceived, may result in negative publicity or legal actions against us. Also, as we continue to expand our customer base, any actual or perceived failure by us to properly provide these services will likely result in lost opportunities for follow-on sales of our related services.

***If we fail to meet our service level commitments, our business, results of operations and financial condition could be adversely affected.***

Our agreements with customers typically provide for service level commitments. Our MongoDB Enterprise Advanced customers typically get service level commitments with certain guaranteed response times and comprehensive 24x365 coverage. Our MongoDB Atlas customers typically get monthly uptime service level commitments, where we are required to provide a service credit for any extended periods of downtime. The complexity and quality of our customer's implementation and the performance and availability of cloud services and cloud infrastructure are outside our control and, therefore, we are not in full control of whether we can meet these service level commitments. Our business, results of operations and financial condition could be adversely affected if we fail to meet our service level commitments for any reason. Any extended service outages could adversely affect our business, reputation and brand.

***We rely on the performance of highly skilled personnel, including senior management and our engineering, professional services, sales and technology professionals; if we are unable to retain or motivate key personnel or hire, retain and motivate qualified personnel, our business would be harmed.***

We believe our success has depended, and continues to depend, on the efforts and talents of our senior management team, particularly our Chief Executive Officer, and our highly skilled team members, including our sales personnel, client services personnel and software engineers. We do not maintain key man insurance on any of our executive officers or key employees. From time to time, there may be changes in our senior management team resulting from the termination or

departure of our executive officers and key employees. The majority of our senior management and key employees are employed on an at-will basis, which means that they could terminate their employment with us at any time. For example, our former Chief Technology Officer resigned effective July 10, 2020. The loss of any of our senior management or key employees could adversely affect our ability to build on the efforts they have undertaken to execute our business plan and to execute against our market opportunity. We may not be able to find adequate replacements. We cannot ensure that we will be able to retain the services of any members of our senior management or other key employees.

Further, if members of our management and other key personnel in critical functions across our organization are unable to perform their duties or have limited availability due to COVID-19, we may not be able to execute on our business strategy and/or our operations may be negatively impacted.

Our ability to successfully pursue our growth strategy also depends on our ability to attract, motivate and retain our personnel. Competition for well-qualified employees in all aspects of our business, including sales personnel, client services personnel and software engineers, is intense. Our recruiting efforts focus on elite organizations and our primary recruiting competition are well-known, high-paying technology companies. Our continued ability to compete effectively depends on our ability to attract new employees and to retain and motivate existing employees. If we do not succeed in attracting well-qualified employees or retaining and motivating existing employees, our business would be adversely affected.

***If we are not able to maintain and enhance our brand, especially among developers, our business and results of operations may be adversely affected.***

We believe that developing and maintaining widespread awareness of our brand, especially with developers, in a cost-effective manner is critical to achieving widespread acceptance of our software and attracting new customers. Brand promotion activities may not generate 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 MongoDB World, MongoDB University and similar investments in our brand and customer engagement and education may not generate a sufficient financial return. If we fail to successfully promote and maintain our brand, or continue to incur substantial expenses, we may fail to attract or retain 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 platform.

***Our corporate culture has contributed to our success and if we cannot continue to maintain and develop this culture as we grow and evolve, we may be unable to execute effectively and could lose the innovation, creativity and entrepreneurial spirit we have worked hard 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. From January 31, 2017 to January 31, 2021, we increased the size of our workforce by 1,826 employees and we expect to continue to hire aggressively as we expand, especially research and development and sales and marketing personnel. Such substantial headcount growth may result in a change to our corporate culture.

Our leadership team also plays a key role in our corporate culture. We recently hired a Chief Technology Officer, a Chief People Officer and a Chief Marketing Officer, and we may also recruit and hire other senior executives in the future. Such management changes subject us to a number of risks, such as risks pertaining to coordination of responsibilities and tasks, creation of new management systems and processes, differences in management style, any of which could adversely impact our corporate culture. In addition, we may need to adapt our corporate culture and work environments to changing circumstances, such as during times of a natural disaster or pandemic, including the ongoing COVID-19 pandemic.

If we do not continue to maintain and develop our corporate culture, we may be unable to execute effectively and foster the innovation, creativity and entrepreneurial spirit we believe we need to support our growth, which could harm our business.

***We depend and rely upon SaaS technologies from third parties to operate our business and interruptions or performance problems with these technologies may adversely affect our business and results of operations.***

We rely on hosted SaaS applications from third parties in order to operate critical functions of our business, including enterprise resource planning, order management, contract management billing, project management and accounting and other operational activities. If these services become unavailable due to extended outages, interruptions or because they are no longer available on commercially reasonable terms, our expenses could increase, our ability to manage finances could be interrupted and our processes for managing sales of our platform and supporting our customers could be impaired until equivalent services, if available, are identified, obtained and implemented, all of which could adversely affect our business.

***Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement 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, damages caused by us to property or persons, data breach, 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.

***Because our long-term growth strategy involves further expansion of our sales to customers outside the United States, our business will be susceptible to risks associated with international operations.***

A component of our growth strategy involves the further expansion of our operations and customer base internationally. In the fiscal years ended January 31, 2021, 2020 and 2019, total revenue generated from customers outside the United States was 44%, 41% and 39%, respectively, of our total revenue. We currently have international offices outside of North America in Europe, the Middle East and Africa (“EMEA”), the Asia-Pacific region and South America, focusing primarily on selling our products and services in those regions. In addition, we expanded our reach in China in February 2021 when we announced a global partnership with Tencent Cloud that allows customers to easily adopt and use MongoDB-as-a-Service across Tencent’s global cloud infrastructure. In the future, we may continue to expand our presence in these regions or expand into other international locations. Our current international operations and future initiatives involve a variety of risks, including risks associated with:

- changes in a specific country’s or region’s political or economic conditions;
- the need to adapt and localize our products for specific countries;
- greater difficulty collecting accounts receivable and longer payment cycles;
- unexpected changes in laws, regulatory requirements, taxes or trade laws;
- shelter-in-place or similar orders, private travel limitation, or business disruption in regions affecting our operations, stemming from actual, imminent or perceived outbreak of contagious disease, including the ongoing COVID-19 pandemic;
- more stringent regulations relating to privacy and data security and the unauthorized use of, or access to, commercial and personal data, particularly in EMEA;
- differing labor regulations, especially in EMEA, 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;
- challenges inherent in efficiently managing an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits and compliance programs;
- difficulties in managing a business in new markets with diverse cultures, languages, customs, legal systems, alternative dispute systems and regulatory systems;
- increased costs associated with international operations, including travel, real estate, infrastructure and legal compliance costs;
- currency exchange rate fluctuations and the resulting effect on our revenue and expenses and the cost and risk of entering into hedging transactions if we chose to do so in the future;
- the effect of other economic factors, including inflation, pricing and currency devaluation;
- limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries;
- laws and business practices favoring local competitors or general preferences for local vendors;

- operating in new, developing or other markets in which there are significant uncertainties regarding the interpretation, application and enforceability of laws and regulations, including relating to contract and intellectual property rights;
- limited or insufficient intellectual property protection or difficulties enforcing our intellectual property;
- political instability, social unrest, terrorist activities, natural disasters or regional or global outbreaks of contagious diseases, such as the ongoing COVID-19 pandemic;
- exposure to liabilities under anti-corruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act, U.K. Bribery Act and similar laws and regulations in other jurisdictions; and
- adverse tax burdens and foreign exchange controls that could make it difficult to repatriate earnings and cash.

Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake will not be successful. If we invest substantial time and resources to expand our international operations and are unable to do so successfully and in a timely manner, our business and results of operations will suffer.

***Changes in government trade policies, including the imposition of tariffs and other trade barriers, could limit our ability to sell our products to certain customers and certain markets, which could adversely affect our business, financial condition and results of operations.***

The United States or foreign governments may take administrative, legislative or regulatory action that could materially interfere with our ability to sell our offerings in certain countries. For instance, there is currently significant uncertainty about the future relationship between the United States and China with respect to trade policies, treaties, tariffs and taxes. If tariffs or other trade barriers are placed on offerings such as ours, this could have a direct or indirect adverse effect on our business. Even in the absence of tariffs or other trade barriers, the related uncertainty and the market's fears relating to international trade might result in lower demand for our offerings, which could adversely affect our business, financial condition and results of operations.

***Legal, political and economic uncertainty surrounding the exit of the United Kingdom from the European Union may be a source of instability in international markets, create significant currency fluctuations, adversely affect our operations in the United Kingdom and pose additional risks to our business, revenue, financial condition and results of operations.***

The United Kingdom (the "U.K.") formally left the E.U. on January 31, 2020, commonly referred to as Brexit. There was a transitional period, during which EU laws continued to apply in the U.K.; however this ended on December 31, 2020. The U.K. and E.U. have signed a E.U.-U.K. Trade and Cooperation Agreement, which became provisionally applicable on January 1, 2021 and will become formally applicable once ratified by both the U.K. and the E.U. This agreement provides details on how some aspects of the U.K. and E.U.'s relationship will operate, however there are still many uncertainties. Many of the regulations that now apply in the U.K. following the transition period, will likely be amended in the future as the UK determines its new approach, which may result in significant divergence from E.U. regulations.

The uncertainty concerning the U.K.'s legal, political and economic relationships with the E.U. following Brexit may be a source of instability in the international markets, create significant currency fluctuations and otherwise adversely affect trading agreements or similar cross border co-operation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). The long-term effects of Brexit will depend in part on how the EU-UK Trade and Cooperation Agreement, and any future agreements signed by the UK and the EU, take effect in practice.

Such a withdrawal from the E.U. is unprecedented and it is unclear how the U.K.'s access to the European single market for goods, capital, services and labor within the E.U., or the European single market and the wider commercial, legal and regulatory environment, will impact our U.K. operations and our customers located in the U.K. Further, if other E.U. Member States pursue withdrawal, barrier-free access between the U.K. and other E.U. Member States or among the European Economic Area overall could be diminished or eliminated.

The ultimate effects of Brexit on us are difficult to predict; however, we currently conduct a significant part of our business in the U.K. and in the E.U., with customers located in the U.K. accounting for 10% of total revenue for each of the fiscal years ended January 31, 2021, 2020 and 2019. The U.K.'s withdrawal from the E.U. could cause disruptions and create uncertainty to our businesses, including affecting the business of and/or our relationships with our customers and suppliers, as altering the relationship among tariffs and currencies, including the value of the British pound and the Euro relative to the U.S. dollar and creating new regulatory costs and challenges. Any of these effects, among others, could adversely impact our financial position and results of operations.

***If currency exchange rates fluctuate substantially in the future, our financial results, which are reported in U.S. dollars, could be adversely affected.***

As we continue to expand our international operations, we become more exposed to the effects of fluctuations in currency exchange rates. Often, contracts executed by our foreign operations are denominated in the currency of that country or region and a portion of our revenue is therefore subject to foreign currency risks. However, a strengthening of the U.S. dollar could increase the real cost of our subscription offerings and related services to our customers outside of the United States, adversely affecting our business, results of operations and financial condition. We incur expenses for employee compensation and other operating expenses at our non-U.S. locations in the local currency. Fluctuations in the exchange rates between the U.S. dollar and other currencies could result in the dollar equivalent of such expenses being higher. This could have a negative impact on our reported results of operations. To date, we have not engaged in any hedging strategies and any such strategies, such as forward contracts, options and foreign exchange swaps related to transaction exposures that we may implement in the future to mitigate this risk may not eliminate our exposure to foreign exchange fluctuations. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

***Changes in laws and regulations related to the internet or changes in the internet infrastructure itself may diminish the demand for our software and could have a negative impact on our business.***

The future success of our business and particularly our cloud offerings, such as MongoDB Atlas, depends upon the continued use of the internet as a primary medium for commerce, communication and business applications. Federal, state or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium. Changes in these laws or regulations could require us to modify our software in order to comply with these changes. In addition, government agencies or private organizations may begin to impose taxes, fees or other charges for accessing the internet or commerce conducted via the internet. These laws or charges could limit the growth of internet-related commerce or communications generally, resulting in reductions in the demand for internet-based solutions such as ours.

In addition, the use of the internet as a business tool could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease of use, accessibility and quality of service. The performance of the internet and its acceptance as a business tool have been adversely affected by “ransomware,” “viruses,” “worms,” “malware,” “phishing attacks,” “data breaches” and similar malicious programs, behavior and events and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the internet is adversely affected by these issues, demand for our subscription offerings and related services could suffer.

***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. The authorities in these jurisdictions 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. In addition, the authorities could 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. Such authorities could claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries. 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.

***We may acquire or invest in companies, which may divert our management’s attention and result in additional dilution to our stockholders. We may be unable to integrate acquired businesses and technologies successfully or achieve the expected benefits of such acquisitions.***

Our success will depend, in part, on our ability to grow our business in response to changing technologies, customer demands and competitive pressures. In some circumstances, we may choose to do so through the acquisition of businesses

and technologies rather than through internal development. The identification of suitable acquisition candidates can be difficult, time-consuming and costly and we may not be able to successfully complete identified acquisitions.

On November 1, 2018, we acquired ObjectLabs Corporation (“mLab”), a privately held company, headquartered in San Francisco, California, that offers cloud database services. On May 7, 2019, we acquired Tightdb, Inc. (“Realm”), a privately held mobile database company. The risks we face in connection with these and any future acquisitions include:

- an acquisition may negatively affect our results of operations because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may expose us to claims and disputes by stockholders and third parties, including intellectual property claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition;
- we may encounter difficulties or unforeseen expenditures in integrating the business, technologies, products, personnel or operations of any company that we acquire, particularly if key personnel of the acquired company decide not to work for us;
- we may not be able to realize anticipated synergies;
- an acquisition may disrupt our ongoing business, divert resources, increase our expenses and distract our management;
- an acquisition may result in a delay or reduction of customer purchases for both us and the company acquired due to customer uncertainty about continuity and effectiveness of service from either company and we may experience increased customer churn with respect to the company acquired;
- we may encounter challenges integrating the employees of the acquired company into our company culture;
- for international transactions, we may face additional challenges related to the integration of operations across different cultures and languages and the economic, political and regulatory risks associated with specific countries;
- we may be unable to successfully sell any acquired products or increase adoption or usage of acquired products, or increase spend by acquired customers;
- our use of cash to pay for acquisitions would limit other potential uses for our cash;
- if we incur debt to fund any acquisitions, such debt may subject us to material restrictions on our ability to conduct our business, including financial maintenance covenants; and
- if we issue a significant amount of equity securities in connection with future acquisitions, existing stockholders may be diluted and earnings per share may decrease.

The occurrence of any of these risks could have an adverse effect on our business, results of operations and financial condition.

***We are subject to risks associated with our non-marketable securities, including partial or complete loss of invested capital. Significant changes in the fair value of our private investment portfolio could negatively impact our financial results.***

We have non-marketable equity securities in privately-held companies. The financial success of our investments in any privately-held company is typically dependent on a liquidity event, such as a public offering, acquisition or other favorable market event reflecting appreciation to the cost of our initial investment. In addition, valuations of privately-held companies are inherently complex due to the lack of readily available market data.

We record all fair value adjustments of our non-marketable securities through the consolidated statement of operations. As a result, we may experience additional volatility to our statements of operations due to the valuation and timing of observable price changes or impairments of our non-marketable securities. Our ability to mitigate this volatility in any given period may be impacted by our contractual obligations to hold securities for a set period of time. All of our investments, especially our non-marketable securities, are subject to a risk of a partial or total loss of investment capital. Changes in the fair value or partial or total loss of investment capital of these individual companies could be material to our financial statements and negatively impact our business and financial 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 U.S. Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”), the U.S. Travel Act, the U.K. Bribery Act (the “Bribery Act”) and other anti-corruption, anti-bribery and anti-money laundering laws in various jurisdictions around the world. The FCPA, Bribery Act and similar applicable laws generally prohibit companies, their officers, directors, employees and third-party intermediaries, business partners and agents from making improper payments or providing other improper things of value to government officials or other persons. We and our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and other third parties where we may be held liable for the corrupt or other illegal activities of these third-party business partners and intermediaries, our employees, representatives, contractors, resellers and agents, even if we do not explicitly authorize such activities. While we have policies and procedures and internal controls to address compliance with such laws, we cannot assure you that all of our employees and agents will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. To the extent that we learn that any of our employees, third-party intermediaries, agents, or business partners do not adhere to our policies, procedures, or internal controls, we are committed to taking appropriate remedial action. In the event that we believe or have reason to believe that our directors, officers, employees, third-party intermediaries, agents, or business partners have or may have violated such laws, we may be required to investigate or have outside counsel investigate the relevant facts and circumstances. Detecting, investigating and resolving actual or alleged violations can be extensive and require a significant diversion of time, resources and attention from senior management. Any violation of the FCPA, 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, fines and penalties or suspension or debarment from U.S. government contracts, all of which may have a material adverse effect on our reputation, business, operating results and prospects and financial condition.

***Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States.***

Generally accepted accounting principles in the United States (“GAAP”), are subject to interpretation by the FASB, the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of a change.

***If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be adversely affected.***

The preparation of financial statements in conformity with 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 described in Note 2 *Summary of Significant Accounting Policies*, in the Notes to Consolidated Financial Statements included in Part II, Item 8, *Financial Statements*, of this Form 10-K. The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and equity and the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our Consolidated Financial Statements include those related to revenue recognition, allowances for doubtful accounts, the incremental borrowing rate related to the Company’s lease liabilities, stock-based compensation, fair value of the liability component of the convertible debt, fair value of common stock and redeemable convertible preferred stock warrants prior to the initial public offering, legal contingencies, fair value of acquired intangible assets and goodwill, useful lives of acquired intangible assets and property and equipment and accounting for income taxes. 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 the expectations of securities analysts and investors, resulting in a decline in the trading price of our Class A common stock.

***If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.***

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act and the rules and regulations of the applicable listing standards of the Nasdaq. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting and financial compliance costs, make some activities more difficult, time-consuming and costly and place significant strain on our personnel, systems and resources.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our 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.

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 develop 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 also could 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 we will eventually be required to include in our periodic reports that will be filed 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, which would likely have a negative effect on the trading price of our Class A common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the Nasdaq.

We are required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting on an annual basis. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. In addition, we are required to have our independent registered public accounting firm issue an opinion on the effectiveness of our internal control over financial reporting on an annual basis. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective. If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which could have an adverse effect on our business and results of operations and could cause a decline in the price of our Class A common stock and we may be subject to investigation or sanctions by the SEC.

***We may require additional capital to support our operations or the growth of our business and we cannot be certain that this capital will be available on reasonable terms when required, or at all.***

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new features or otherwise enhance our database software, improve our operating infrastructure or acquire businesses and technologies. Accordingly, we may need to secure additional capital through equity or debt financings. If we raise additional capital, our existing stockholders could suffer significant dilution and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our Class A common stock. Any debt financing that we may secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to obtain additional financing on terms that are favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms that are satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired and our business may be harmed.

***We are a multinational organization faced with increasingly complex tax issues in many jurisdictions and we could be obligated to pay additional taxes in various jurisdictions.***

As a multinational organization, we may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, 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, which could have a material adverse effect on our liquidity and operating results. In addition, the authorities in these jurisdictions could review our tax returns and impose additional tax, interest and penalties and the

authorities could claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries, any of which could have a material impact on us and the results of our operations.

***The enactment of legislation implementing changes in U.S. taxation of international business activities or the adoption of other tax reform policies could materially impact our financial position and results of operations.***

Changes to U.S. tax laws, including limitations on the ability of taxpayers to claim and utilize foreign tax credits and the deferral of certain tax deductions until earnings outside of the United States are repatriated to the United States, as well as changes to U.S. tax laws that may be enacted in the future, could impact the tax treatment of our foreign earnings. Due to expansion of our international business activities, any changes in the U.S. taxation of such activities may increase our worldwide effective tax rate and adversely affect our financial position and results of operations.

In addition, potential tax reform in the United States may result in significant changes to U.S. federal income taxation law, including changes to the U.S. federal income taxation of corporations (including the Company) and/or changes to the U.S. federal income taxation of stockholders in U.S. corporations, including investors in our Class A common stock. For example, the Tax Cuts and Jobs Act of 2017 was enacted on December 22, 2017 and significantly revised the U.S. corporate income tax law by, among other things, reducing the corporate income tax rate to 21% for tax years beginning in 2018, imposing additional limitations on the deductibility of interest, changing the utilization of future net operating loss carryforwards, allowing for the expensing of certain capital expenditures and implementing a modified territorial system. We are currently unable to predict whether any future changes will occur and, if so, the impact of such changes, including on the U.S. federal income tax considerations relating to the purchase, ownership and disposition of our Class A common stock.

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

As of January 31, 2021, the Company had net operating loss carryforwards for federal, state, Irish and U.K. income tax purposes of approximately \$1.2 billion, \$1.1 billion, \$384.0 million and \$22.1 million, respectively, which begin to expire in the year ending January 31, 2028 for federal purposes and January 31, 2021 for state purposes. Ireland, U.K. and the U.S. federal losses for years after January 31, 2018 allows net operating losses to be carried forward indefinitely. A lack of future taxable income would adversely affect our ability to utilize these net operating losses (“NOLs”) before they expire. In general, under Section 382 of the Code, a corporation that undergoes an “ownership change” (as defined under Section 382 of the Code and applicable Treasury Regulations) is subject to limitations on its ability to utilize its pre-change NOLs to offset future taxable income. We may experience a future ownership change under Section 382 of the Code that could affect our ability to utilize the NOLs to offset our income. Furthermore, our ability to utilize NOLs of companies that we have acquired or may acquire in the future may be subject to limitations. There is also a risk that due to regulatory changes, such as suspensions on the use of NOLs or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to reduce future income tax liabilities, including for state tax purposes.

For these reasons, we may not be able to utilize a material portion of the NOLs reflected on our balance sheet, even if we attain profitability, which could potentially result in increased future tax liability to us and could adversely affect our results of operations and financial condition.

***Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, value added or similar taxes and we could be subject to liability with respect to past or future sales, which could adversely affect our results of operations.***

We do not collect sales and use, value added or similar taxes in all jurisdictions in which we have sales and we have been advised that such taxes are not applicable to our products and services in certain jurisdictions. Sales and use, value added and similar tax laws and rates vary greatly by jurisdiction. Certain jurisdictions in which we do not collect such taxes may assert that such taxes are applicable, which could result in tax assessments, penalties and interest, to us or our end-customers for the past amounts and we may be required to collect such taxes in the future. If we are unsuccessful in collecting such taxes from our end-customers, we could be held liable for such costs. Such tax assessments, penalties and interest, or future requirements may adversely affect our results of operations.

***We are subject to government export and import controls that could impair our ability to compete in international markets or subject us to liability if we violate the controls.***

Our offerings are subject to United States export controls and we incorporate encryption technology into certain of our offerings. These encryption offerings and the underlying technology may be exported outside of the United States only with the required export authorizations, including by license.

Furthermore, our activities are subject to the U.S. economic sanctions laws and regulations that prohibit the shipment of certain products and services without the required export authorizations or export to countries, governments and persons targeted by U.S. sanctions. While we take precautions to prevent our offerings from being exported in violation of these laws, including obtaining authorizations for our encryption offerings, implementing IP address blocking and screenings against U.S. Government and international lists of restricted and prohibited persons, we cannot guarantee that the precautions we take will prevent violations of export control and sanctions laws.

We also note that if our channel partners fail to obtain appropriate import, export or re-export licenses or permits, we may also be adversely affected, through reputational harm as well as other negative consequences including government investigations and penalties. We presently incorporate export control compliance requirements in our channel partner agreements. Complying with export control and sanctions regulations for a particular sale may be time-consuming and may result in the delay or loss of sales opportunities.

If we fail to comply with U.S. sanctions and export control laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export or import privileges, fines, which may be imposed on us and responsible employees or managers and, in extreme cases, the incarceration of responsible employees or managers.

Also, various countries, in addition to the United States, regulate the import and export of certain encryption and other technology, including import and export permitting and licensing requirements and have enacted laws that could limit our ability to distribute our offerings or could limit our customers' ability to implement our offerings in those countries. Changes in our offerings or future changes in export and import regulations may create delays in the introduction of our offerings in international markets, prevent our customers with international operations from deploying our offerings globally or, in some cases, prevent the export or import of our offerings to certain countries, governments, or persons altogether. Any change in export or import regulations, economic sanctions or related legislation, or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our offerings by, or in our decreased ability to export or sell our offerings to, existing or potential customers with international operations. Any decreased use of our offerings or limitation on our ability to export or sell our offerings would likely adversely affect our business operations and financial results.

***Our business is subject to the risks of earthquakes, fire, floods and other natural catastrophic events and to interruption by man-made problems such as power disruptions, computer viruses, Security Breaches or terrorism.***

As of January 31, 2021, we have customers in over 100 countries and employees in over 25 countries. A significant natural disaster or man-made problem, such as an earthquake, fire, flood, an act of terrorism, the regional or global outbreak of a contagious disease, such as the ongoing COVID-19 pandemic, or other catastrophic event occurring in any of these locations, could adversely affect our business, results of operations and financial condition. Further, if a natural disaster or man-made problem were to affect data centers used by our cloud infrastructure service providers this could adversely affect the ability of our customers to use our products. In addition, natural disasters, regional or global outbreaks of contagious diseases and acts of terrorism could cause disruptions in our or our customers' businesses, national economies or the world economy as a whole. Moreover, these types of events could negatively impact consumer and business spending in the impacted regions or depending upon the severity, globally, which could adversely impact our operating results. For example, the extent to which the ongoing COVID-19 pandemic may continue to impact our business is uncertain, however we continue to monitor its effect. In the event of a major disruption caused by a natural disaster or man-made problem, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our development activities, lengthy interruptions in service, breaches of data security and loss of critical data, any of which could adversely affect our business, results of operations and financial condition.

In addition, as computer malware, viruses and computer hacking, fraudulent use attempts and phishing attacks have become more prevalent, we face increased risk from these activities to maintain the performance, reliability, security and availability of our subscription offerings and related services and technical infrastructure to the satisfaction of our customers, which may harm our reputation and our ability to retain existing customers and attract new customers.

## Risks Related to Ownership of Our Class A Common Stock

***The trading price of our Class A common stock has been and is likely to continue to be volatile, which could cause the value of our Class A common stock to decline.***

Technology stocks have historically experienced high levels of volatility. The trading price of our Class A common has been and is likely to continue to be volatile. Factors that could cause fluctuations in the trading price of our Class A common stock include the following:

- announcements of new products or technologies, commercial relationships, acquisitions or other events by us or our competitors;
- changes in how customers perceive the benefits of our product and future product offerings and releases;
- departures of key personnel;
- price and volume fluctuations in the overall stock market from time to time;
- fluctuations in the trading volume of our shares or the size of our public float;
- sales of large blocks of our Class A common stock;
- actual or anticipated changes or fluctuations in our results of operations;
- whether our results of operations meet the expectations of securities analysts or investors;
- changes in actual or future expectations of investors or securities analysts;
- significant data breach involving our software;
- litigation involving us, our industry, or both;
- regulatory developments in the United States, foreign countries or both;
- general economic conditions and trends;
- major catastrophic events in our domestic and foreign markets; and
- “flash crashes,” “freeze flashes” or other glitches that disrupt trading on the securities exchange on which we are listed.

In addition, if the market for technology stocks or the stock market in general experiences a loss of investor confidence, the trading price of our Class A common stock could decline for reasons unrelated to our business, results of operations or financial condition. The trading price of our Class A common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. In the past, following periods of volatility in the trading price of a company’s securities, securities class action litigation has often been brought against that company. If our stock price is volatile, we may become the target of securities litigation. Securities litigation could result in substantial costs and divert our management’s attention and resources from our business. This could have an adverse effect on our business, results of operations and financial condition.

***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 release earnings guidance in our quarterly and annual earnings conference calls, quarterly and annual earnings releases, or otherwise, regarding our future performance that represents our management’s estimates as of the date of release. This guidance includes forward-looking statements based on projections prepared by our management. Projections 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. We intend to state possible outcomes as high and low ranges which are intended to provide a sensitivity analysis as variables are changed but are not intended to imply that actual results could not fall outside of the suggested ranges. The principal reason that we release guidance is to provide a basis for our management to discuss our business outlook with analysts and investors. 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 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. We are relying on the reports and models of economic and medical experts in making assumptions relating to the duration of this crisis and predictions as to timing and pace of any future economic recovery. If these models are incorrect or incomplete, or if we fail to accurately predict the full impact that the COVID-19 pandemic will have on all aspects of our business, the guidance and other forward-looking statements we provide may also be incorrect or incomplete. Furthermore, if we make downward revisions of our previously announced guidance, if we withdraw our previously announced guidance, or if our publicly announced guidance of future operating results fails to meet expectations of securities analysts, investors or other interested parties, the price of our common stock would decline.

Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the guidance furnished by us will not materialize or will vary significantly from actual results. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release. Actual results may vary from our guidance and the variations may be material. In light of the foregoing, investors are urged not to rely upon our guidance in making an investment decision regarding our common stock.

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, and the differences may be adverse and material.

***Our issuance of additional capital stock in connection with financings, acquisitions, investments, our equity incentive plans or otherwise will dilute all other stockholders.***

We expect to issue additional capital stock in the future that will result in dilution to all other stockholders. We expect to grant equity awards to employees, directors and consultants under our equity incentive plans. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in companies, products or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our Class A common stock to decline.

***We do not intend to pay dividends on our Class A common stock for the foreseeable future.***

We have never declared or paid any dividends on our capital stock. We intend to retain any earnings to finance the operation and expansion of our business and we do not anticipate paying any dividends in the foreseeable future. As a result, investors in our Class A common stock may only receive a return if the market price of our Class A common stock increases.

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

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the Nasdaq and other applicable securities rules and regulations. Our management and other personnel devote a substantial amount of time to compliance with these requirements. Moreover, these laws, regulations and standards are subject to varying interpretations and their application in practice may evolve over time as regulatory and governing bodies issue revisions to, or new interpretations of, these public company requirements. Such changes could result in continuing uncertainty regarding compliance matters and higher legal and financial costs necessitated by ongoing revisions to disclosure and governance practices. We will continue to invest resources to comply with evolving laws, regulations and standards and this investment may result in increased general and administrative expenses 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 may be adversely affected.

Being a public company under these rules and regulations has made it more expensive for us to obtain director and officer liability insurance and in the future, we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified executive officers or members of our Board of Directors, particularly to serve on our audit and compensation committees.

As a result of the disclosures within our filings with the SEC, information about our business and our financial condition is available to competitors and other third parties, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and results of operations could be adversely affected. 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 adversely affect our business and results of operations.

***Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.***

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

- any derivative action or proceeding brought on our behalf;
- any action asserting a breach of fiduciary duty;
- any action asserting a claim against us arising under the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws; and
- any action asserting a claim against us that is governed by the internal-affairs doctrine.

This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation further provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs, and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions. If a court were to find either exclusive-forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions.

***Delaware law and our corporate charter and bylaws contain anti-takeover provisions that could delay or discourage takeover attempts that stockholders may consider favorable.***

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors who 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:

- a classified Board of Directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our Board of Directors;
- the ability of our Board of Directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the exclusive right of our Board of Directors to elect a director to fill a vacancy created by the expansion of our Board of Directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our Board of Directors;

- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by our Board of Directors, the chairperson of our Board of Directors or our chief executive officer, which limitations could delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the requirement for the affirmative vote of holders of a majority of the voting power of all of the then outstanding shares of the voting stock, to amend the provisions of our amended and restated certificate of incorporation relating to the management of our business (including our classified board structure) or certain provisions of our amended and restated bylaws, which may inhibit the ability of an acquirer to effect such amendments to facilitate an unsolicited takeover attempt;
- the ability of our Board of Directors to amend our bylaws, which may allow our Board of Directors to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend our bylaws to facilitate an unsolicited takeover attempt; and
- advance notice procedures with which stockholders must comply to nominate candidates to our Board of Directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law, which may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a specified period of time.

### **Risks Related to our Outstanding Notes**

***We have incurred a significant amount of debt and may in the future incur additional indebtedness. We may not have sufficient cash flow from our business to make payments on our substantial debt when due.***

In June and July 2018, we issued \$300.0 million aggregate principal amount of 0.75% convertible senior notes due 2024 (the "2024 Notes") in a private placement and in January 2020, we issued \$1.15 billion aggregate principal amount of 0.25% convertible senior notes due 2026 (the "2026 Notes" and, together with the 2024 Notes, the "Notes") in a private placement and concurrently repurchased for cash approximately \$210.0 million of the aggregate principal amount of the 2024 Notes.

We may be required to use a substantial portion of our cash flows from operations to pay interest and principal on our indebtedness. Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Such payments will reduce the funds available to us for working capital, capital expenditures and other corporate purposes and limit our ability to obtain additional financing for working capital, capital expenditures, expansion plans and other investments, which may in turn limit our ability to implement our business strategy, heighten our vulnerability to downturns in our business, the industry, or in the general economy, limit our flexibility in planning for, or reacting to, changes in our business and the industry and prevent us from taking advantage of business opportunities as they arise. Our business may not be able to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

In addition, we and our subsidiaries may incur substantial additional debt in the future, subject to the restrictions contained in our future debt agreements, some of which may be secured debt. We are not restricted under the terms of the indentures governing the Notes, from incurring additional debt, securing existing or future debt, recapitalizing our debt, repurchasing our stock, pledging our assets, making investments, paying dividends, guaranteeing debt or taking a number of other actions that are not limited by the terms of the indenture governing the Notes that could have the effect of diminishing our ability to make payments on the Notes when due.

***The conditional conversion feature of the Notes, if triggered, may adversely affect our financial condition and operating results.***

In the event the conditional conversion feature of the Notes is triggered, holders of the Notes will be entitled to convert their Notes at any time during specified periods at their option. If one or more holders elect to convert their Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our Class A common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation in cash, which could adversely affect our liquidity. In addition, even if holders of Notes do not elect to convert their Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

Additionally, the conditional conversion feature of the 2024 Notes and 2026 Notes was triggered as of January 31, 2021, as the last reported sale price of the Company's Class A common stock was more than or equal to 130% of the conversion price for at least 20 trading days in the period of 30 consecutive trading days ending on January 31, 2021 (the last trading day of the fiscal quarter). Therefore, the 2024 Notes and 2026 Notes are currently convertible at the option of the holders thereof, in whole or in part, from February 1, 2020 through April 30, 2021. Whether the 2024 Notes or 2026 Notes will be convertible following such fiscal quarter will depend on the continued satisfaction of this condition or another conversion condition in the future. Upon conversion of the 2024 Notes and 2026 Notes, unless we elect to deliver solely shares of our Class A common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the 2024 Notes and 2026 Notes being converted, which could adversely affect our liquidity.

***The accounting method for convertible debt securities that may be settled in cash, such as the Notes, could have a material effect on our reported financial results.***

Under Accounting Standards Codification 470-20, Debt with Conversion and Other Options ("ASC 470-20"), an entity must separately account for the liability and equity components of the convertible debt instruments (such as the Notes) that may be settled entirely or partially in cash upon conversion in a manner that reflects the issuer's economic interest cost. The effect of ASC 470-20 on the accounting for the Notes is that the equity component is required to be included in the additional paid-in capital section of stockholders' equity on our consolidated balance sheet at the issuance date and the value of the equity component would be treated as debt discount for purposes of accounting for the debt component of the Notes. As a result, we have been required to record a greater amount of non-cash interest expense as a result of the amortization of the discounted carrying value of the Notes to their face amount over the term of the Notes. We have reported larger net losses (or lower net income) in our financial results because ASC 470-20 requires interest to include both the amortization of the debt discount and the instrument's nonconvertible coupon interest rate, which could adversely affect our reported or future financial results, the trading price of our Class A common stock and the trading price of the Notes.

In addition, under certain circumstances, convertible debt instruments (such as the Notes) that may be settled entirely or partly in cash may be accounted for utilizing the treasury stock method, the effect of which is that the shares issuable upon conversion of such Notes are not included in the calculation of diluted earnings per share except to the extent that the conversion value of such Notes exceeds their principal amount. Under the treasury stock method, for diluted earnings per share purposes, the transaction is accounted for as if the number of shares of Class A common stock that would be necessary to settle such excess, if we elected to settle such excess in shares, are issued. We cannot be sure that the accounting standards in the future will continue to permit the use of the treasury stock method. If we are unable or otherwise elect not to use the treasury stock method in accounting for the shares issuable upon conversion of the Notes, then our diluted earnings per share could be adversely affected.

Further, in August 2020, the FASB issued ASU No. 2020-06, Accounting for Convertible Instruments in an Entity's Own Equity, which simplifies the accounting for convertible instruments and contracts on an entity's own equity. Among other changes, ASU No. 2020-06 simplifies the accounting for convertible instruments by eliminating the conversion option separation model for convertible debt that can be settled in cash and by eliminating the measurement model for beneficial conversion features. As a result, after adoption, entities will no longer separately present in equity an embedded conversion feature for such debt. Similarly, the embedded conversion feature will no longer be amortized as interest expense over the life of the instrument. Instead, entities will account for a convertible debt instrument wholly as debt unless (1) a convertible instrument contains features that require bifurcation as a derivative under ASC Topic 815, Derivatives and Hedging, or (2) a convertible debt instrument was issued at a substantial premium. Among other potential impacts, this change is expected to reduce reported interest expense, increase reported net income or lower net loss and result in a reclassification of certain balance sheet amounts from stockholders' equity to liabilities as it relates to the Notes. In addition, the new standard requires

entities to use the if-converted method for all convertible instruments that may be settled in cash or shares, except for certain liability-classified share-based payment awards. We plan to early adopt ASU 2020-06 as of February 1, 2021 using the modified retrospective transition method.

***The capped call transactions may affect the value of the Notes and our Class A common stock.***

In connection with the pricing of the Notes, we entered into privately negotiated capped call transactions with certain counterparties. The capped call transactions cover, subject to customary adjustments, the number of shares of our Class A common stock initially underlying the Notes. The capped call transactions are expected to offset the potential dilution to our Class A common stock upon any conversion of the Notes. In connection with establishing their initial hedges of the capped call transactions, the counterparties or their respective affiliates entered into various derivative transactions with respect to our Class A common stock concurrently with or shortly after the pricing of the Notes, including with certain investors in the Notes.

The counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our Class A common stock and/or purchasing or selling our Class A common stock or other securities of ours in secondary market transactions prior to the maturity of the Notes (and are likely to do so on each exercise date of the capped call transactions, which are scheduled to occur during the observation period relating to any conversion of the Notes on or after March 15, 2024, in the case of the 2024 Notes and on or after October 15, 2025, in the case of the 2026 Notes), or following any termination of any portion of the capped call transactions in connection with any repurchase, redemption or early conversions of the Notes or otherwise. This activity could also cause or avoid an increase or a decrease in the market price of our Class A common stock. We do not make any representation or prediction as to the direction or magnitude of any potential effect that the transactions described above may have on the price of shares of our Class A common stock.

**Item 1B. Unresolved Staff Comments**

None.

**Item 2. Properties**

Our current principal executive office is located in New York, New York and, as of January 31, 2021, consists of approximately 106,230 square feet of space under a lease that expires in December 2029.

We lease 23 other offices around the world for our employees, including in Dublin, Palo Alto, Sydney, Gurgaon and Austin.

We lease all of our facilities and do not own any real property. We intend to procure additional space in the future as we continue to add employees and expand geographically. We believe our facilities are adequate and suitable for our current needs and that, should it be needed, suitable additional or alternative space will be available to accommodate our operations.

**Item 3. Legal Proceedings**

The information required to be set forth under this Item 3 is incorporated by reference to Note 8, *Commitments and Contingencies* of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K.

**Item 4. Mine Safety Disclosures**

Not applicable.

## PART II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

#### Market Information for Common Stock

Our Class A common stock is traded on The Nasdaq Global Market (the "Nasdaq") under the symbol "MDB." Prior to June 11, 2020, the Company had two classes of common stock, Class A and Class B. Our Class B Common Stock was not listed or traded on any exchange, but each share of Class B common stock was convertible at any time at the option of the holder into one share of Class A common stock. On June 11, 2020, all outstanding shares of the Company's Class B common stock, par value \$0.001 per share, automatically converted into the same number of shares of Class A common stock, par value \$0.001 per share, pursuant to the terms of the Company's Amended and Restated Certificate of Incorporation. No additional shares of Class B common stock will be issued following such conversion. Refer to Note 9, *Stockholders' Equity (Deficit)*, in the Notes to Consolidated Financial Statements included in Part II, Item 8, Financial Statements, of this Form 10-K for a discussion of our conversion of Class B common stock.

#### Holders of Record

As of March 16, 2021, there were 99 stockholders of record of our Class A common stock and the closing price of our Class A common stock was \$318.83 per share as reported on the Nasdaq. Because many of our shares of Class A common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

#### Dividend Policy

We have never declared or paid any dividends on our common stock. We currently intend to retain all available funds and any future earnings for the operation and expansion of our business. Accordingly, we do not anticipate declaring or paying dividends in the foreseeable future. The payment of any future dividends will be at the discretion of our Board of Directors and will depend on our results of operations, capital requirements, financial condition, prospects, contractual arrangements, any limitations on payment of dividends present in any debt agreements and other factors that our Board of Directors may deem relevant.

#### Recent Sales of Unregistered Securities

None.

#### Issuer Purchases of Equity Securities

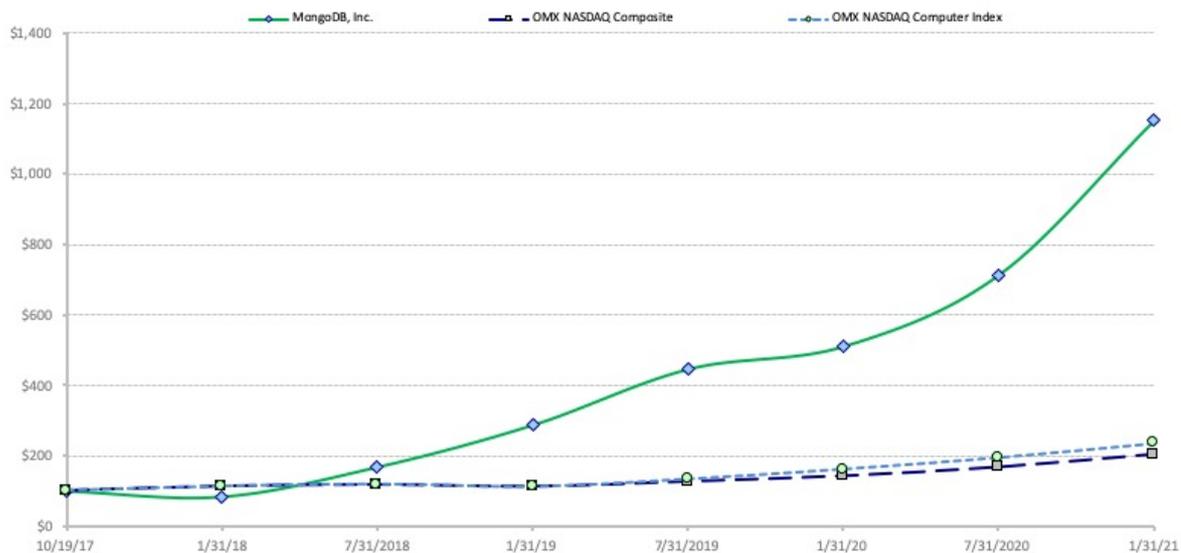
There were no repurchases of shares of our Class A common stock during the three months ended January 31, 2021.

## Stock Performance Graph

The graph below shows a comparison, from October 19, 2017 (the date our Class A common stock commenced trading on the Nasdaq) through January 31, 2021, of the cumulative total return to stockholders of our Class A common stock relative to the Nasdaq Composite Index (“Nasdaq Composite”) and the Nasdaq Computer Index (“Nasdaq Computer”).

The graph assumes that \$100 was invested in each of our Class A common stock, the Nasdaq Composite and the Nasdaq Computer at their respective closing prices on October 19, 2017 and assumes reinvestment of gross dividends. The stock price performance shown in the graph represents past performance and should not be considered an indication of future stock price performance.

### COMPARISON OF CUMULATIVE TOTAL RETURN



This performance graph shall not be deemed “soliciting material” or to be “filed” with the SEC for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of MongoDB, Inc. under the Securities Act or the Exchange Act.

## Item 6. Selected Financial Data

Part II, Item 6 is no longer required as the Company has elected to early adopt the changes to Item 301 of Regulation S-K contained in SEC Release No. 33-10890.

## Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included in Part II, Item 8, *Financial Statements and Supplementary Data*, of this Form 10-K. All information presented herein is based on our fiscal calendar. Unless otherwise stated, references to particular years, quarters, months or periods refer to our fiscal years ended January 31 and the associated quarters, months and periods of those fiscal years.

### Overview

MongoDB is the leading modern, general purpose database platform. Our robust platform enables developers to build and modernize applications rapidly and cost-effectively across a broad range of use cases. Organizations can deploy our platform at scale in the cloud, on-premise, or in a hybrid environment. Software applications are redefining how organizations across industries engage with their customers, operate their businesses and compete with each other. A database is at the heart of every software application. As a result, selecting a database is a highly strategic decision that directly affects developer productivity, application performance and organizational competitiveness. Our platform addresses the performance, scalability, flexibility and reliability demands of modern applications, while maintaining the strengths of legacy databases. Our business model combines the developer mindshare and adoption benefits of open source with the economic benefits of a proprietary software subscription business model.

We generate revenue primarily from sales of subscriptions, which accounted for 96%, 95% and 93% of our total revenue for the years ended January 31, 2021, 2020 and 2019, respectively.

MongoDB Atlas is our hosted multi-cloud database-as-a-service ("DBaaS") offering that includes comprehensive infrastructure and management, which we run and manage in the cloud. During the year ended January 31, 2021, MongoDB Atlas revenue represented 46% of our total revenue, as compared to 39% in the prior year, reflecting the continued growth of MongoDB Atlas since its introduction in June 2016. We have experienced strong growth in self-serve customers of MongoDB Atlas. These customers are charged monthly based on their usage. In addition, we have also seen growth in MongoDB Atlas customers sold by our sales force. These customers typically sign annual contracts and pay in advance or are invoiced monthly in arrears based on usage.

MongoDB Enterprise Advanced is our proprietary commercial database server offering for enterprise customers that can run in the cloud, on-premise or in a hybrid environment. MongoDB Enterprise Advanced revenue represented 44%, 50% and 60% of our subscription revenue for the years ended January 31, 2021, 2020 and 2019, respectively. We sell subscriptions directly through our field and inside sales teams, as well as indirectly through channel partners. The majority of our subscription contracts are one year in duration and are invoiced upfront. When we enter into multi-year subscriptions, we typically invoice the customer on an annual basis.

Many of our enterprise customers initially get to know our software by using Community Server, which is our free-to-download version of our database that includes the core functionality developers need to get started with MongoDB without all the features of our commercial platform. Our platform has been downloaded from our website more than 155 million times since February 2009 and over 65 million times in the last 12 months alone. We also offer a free tier of MongoDB Atlas, which provides access to our hosted database solution with limited processing power and storage, as well as certain operational limitations. As a result, with the availability of both Community Server and MongoDB Atlas free tier offerings, our direct sales prospects are often familiar with our platform and may have already built applications using our technology. A core component of our growth strategy for MongoDB Atlas and MongoDB Enterprise Advanced is to convert developers and their organizations who are already using Community Server or the free tier of MongoDB Atlas to become customers of our commercial products and enjoy the benefits of either a self-managed or hosted offering.

We also generate revenue from services, which consist primarily of fees associated with consulting and training services. Revenue from services accounted for 4%, 5% and 7% of our total revenue for the years ended January 31, 2021, 2020 and 2019, respectively. We expect to continue to invest in our services organization as we believe it plays an important role in accelerating our customers' realization of the benefits of our platform, which helps drive customer retention and expansion.

We believe the market for our offerings is large and growing. We have experienced rapid growth and have made substantial investments in developing our platform and expanding our sales and marketing footprint. We intend to continue to invest heavily to grow our business to take advantage of our market opportunity rather than optimizing for profitability or cash flow in the near term.

## Impact of the Ongoing COVID-19 Pandemic

The ongoing COVID-19 pandemic has continued to impact the U.S. and the world. As a result, authorities have implemented numerous measures to contain the virus, including travel bans and restrictions, quarantines, shelter-in-place orders, and business limitations and shutdowns. Although some jurisdictions previously relaxed such restrictions, in many cases these restrictions have been or may in the future be re-instituted, and other jurisdictions are imposing restrictions for the first time. As the COVID-19 pandemic continues to spread, it is highly uncertain to what extent and when restrictions will be lifted in various jurisdictions. The full extent of the impact of the ongoing COVID-19 pandemic on our future operational and financial performance will depend on certain developments, including the duration and spread of the pandemic; the public health measures taken by authorities and other entities to contain and treat COVID-19; the actions taken to effect a widespread roll-out of the available vaccines; and the impact of the COVID-19 pandemic on the global economy and on our current and prospective customers, employees, vendors and other parties with whom we do business, all of which are uncertain and cannot be predicted.

We adopted several measures in response to the COVID-19 pandemic, including temporarily requiring employees to work remotely, suspending non-essential travel by our employees, and replacing in-person marketing events (including our annual developer conference) with virtual events. We have informed our employees that they may continue to elect to work remotely until September 1, 2021, even if their office reopens.

While the broader implications of the ongoing COVID-19 pandemic on our results of operations and overall financial performance remain uncertain, we currently expect our revenue to continue to be negatively impacted by the slowdown in activity associated with the COVID-19 pandemic and global uncertainty in the near term. In addition, we recorded a higher allowance for doubtful accounts during the year ended January 31, 2021 due to the potential adverse impact the ongoing COVID-19 pandemic may have on factors that affect our estimate of current expected credit losses, including possible financial difficulties faced by a portion of our customers, in accordance with the recently adopted accounting standard for credit losses.

During the year ended January 31, 2021, we experienced a decrease in our travel costs due to global travel restrictions and stay-at-home or similar orders in effect as a result of the ongoing COVID-19 pandemic. We expect those lower travel costs to continue in the near-term. We have invested and intend to continue to invest a portion of these savings in additional marketing program spend and research and development headcount.

We will continue to evaluate the nature and extent of the impact of COVID-19 on our business. For further discussion of the potential impacts of the ongoing COVID-19 pandemic on our business, operating results, and financial condition, see the section titled “Risk Factors” included in Part I, Item 1A of this Form 10-K. Other factors affecting our performance are discussed below, although we caution you that the ongoing COVID-19 pandemic may also further impact these factors.

## Factors Affecting Our Performance

### *Extending Product Leadership and Maintaining Developer Mindshare*

We are committed to delivering market-leading products to continue to build and maintain credibility with the global software developer community. We believe we must maintain our product leadership position and the strength of our brand to drive further revenue growth. For example, we introduced MongoDB Atlas in 2016, an important part of our run-anywhere solution, to capitalize on the existing demand for a managed version of our Community Server offering which many companies currently self-deploy and manage in the cloud. In 2017, we introduced cross-region replication for MongoDB Atlas, which helps ensure that an application remains operational even if an entire cloud region goes down, as well as allowing MongoDB customers to locate data closer to their users for performance or compliance reasons. During 2018, we expanded functionality available in MongoDB Atlas to support mission-critical enterprise workloads and we released MongoDB 4.0, which extended ACID support to multi-document transactions. Most recently, during 2020, we released MongoDB 4.4, which included significant updates to the query language to enhance analytics capabilities and to provide increased flexibility of data distribution in order to further improve resiliency and performance. In addition, we introduced a number of additional features and products within MongoDB Atlas including the general availability of MongoDB Atlas Search, which integrates full-text search capabilities with our operational database, reducing implementation complexity for developers and eliminating the need to maintain multiple technologies. We also announced the general availability of MongoDB Atlas Data Lake and MongoDB Atlas Online Archive, which allow customers to store data more cost effectively on our platform and make that data readily available to their applications running on MongoDB Atlas. Finally, we fully integrated Realm, the leading mobile application database we acquired in 2019, with MongoDB Atlas allowing developers to build highly performant mobile applications with seamless data synchronization. We intend to continue to invest in our

engineering capabilities and marketing activities to maintain our strong position in the developer community. We have spent \$674.2 million on research and development since our inception. Our results of operations may fluctuate as we make these investments to drive increased customer adoption and usage.

#### *Growing Our Customer Base and Expanding Our Global Reach*

We are intensely focused on continuing to grow our customer base. We have invested and expect to continue to invest, heavily in our sales and marketing efforts and developer community outreach, which are critical to driving customer acquisition. As of January 31, 2021, we had over 24,800 customers across a wide range of industries and in over 100 countries, compared to over 17,000 customers and over 13,400 customers as of January 31, 2020 and 2019, respectively. All affiliated entities are counted as a single customer.

Our customer count as of January 31, 2021 includes customers acquired from ObjectLabs Corporation (“mLab”) and Tightlydb, Inc. (“Realm”), which acquisitions closed on November 1, 2018 and May 7, 2019, respectively. Our definition of “customer” excludes (1) users of our free offerings, (2) users acquired from mLab who spend \$20 or less per month with us and (3) self-serve users acquired from Realm. The excluded mLab and Realm users collectively represent an immaterial portion of the revenue associated with users acquired from those acquisitions.

As of January 31, 2021, we had over 3,000 customers that were sold through our direct sales force and channel partners, as compared to over 2,000 and over 1,750 such customers as of January 31, 2020 and 2019, respectively. These customers, which we refer to as our Direct Sales Customers, accounted for 82%, 78% and 85% of our subscription revenue for the years ended January 31, 2021, 2020 and 2019, respectively. The percentage of our subscription revenue from Direct Sales Customers increased, in part, due to existing self-serve customers of MongoDB Atlas becoming Direct Sales Customers. We are also focused on increasing the number of overall MongoDB Atlas customers as we emphasize the on-demand scalability of MongoDB Atlas by allowing our customers to consume the product with minimal commitment. After launching in June 2016, we had over 23,300 MongoDB Atlas customers as of January 31, 2021. The growth in MongoDB Atlas customers included customers from mLab and Realm, as described above, as well as new customers to MongoDB and existing MongoDB Enterprise Advanced customers adding incremental MongoDB Atlas workloads.

In an effort to expand our global reach, in October 2019, we announced a partnership with Alibaba Cloud to offer an authorized MongoDB-as-a-service solution allowing customers of Alibaba Cloud to use this managed offering from their data centers globally. We expanded our reach in China in February 2021 when we announced the launch of a global partnership with Tencent Cloud that allows customers to easily adopt and use MongoDB-as-a-Service across Tencent’s global cloud infrastructure.

#### *Increasing Adoption of MongoDB Atlas*

MongoDB Atlas, our hosted multi-cloud offering, is an important part of our run-anywhere strategy. To accelerate adoption of this DBaaS offering, in 2017, we introduced tools to easily migrate existing users of our Community Server offering to MongoDB Atlas. We have also expanded our introductory offerings for MongoDB Atlas, including a free tier, which provides limited processing power and storage in order to drive usage and adoption of MongoDB Atlas among developers. Our MongoDB Atlas free tier offering is now available on all three major cloud providers (Amazon Web Services (“AWS”), Google Cloud Platform (“GCP”) and Microsoft Azure) in North America, Europe and Asia Pacific. In addition, MongoDB Atlas is available on AWS Marketplace, making it easier for AWS customers to buy and consume MongoDB Atlas. Our business partnership with GCP provides deeper product integration and unified billing for GCP customers who are also MongoDB Atlas customers and offers GCP customers a seamless integration between MongoDB Atlas and GCP. The availability of MongoDB Atlas on the Microsoft Azure Marketplace offers unified billing for joint customers of MongoDB Atlas and Microsoft and makes it easier for established Azure customers to purchase and use MongoDB Atlas. In addition, MongoDB is part of Microsoft’s strategic partner program.

We have also expanded the functionality available in MongoDB Atlas beyond that of our Community Server offering. We expect this will drive further adoption of MongoDB Atlas as companies migrate mission-critical applications to the public cloud. The enterprise capabilities that we have introduced to MongoDB Atlas include advanced security features, enterprise-standard authentication and database auditing. We have invested significantly in MongoDB Atlas and our ability to drive adoption of MongoDB Atlas is a key component of our growth strategy.

### *Retaining and Expanding Revenue from Existing Customers*

The economic attractiveness of our subscription-based model is driven by customer renewals and increasing existing customer subscriptions over time, referred to as land-and-expand. We believe that there is a significant opportunity to drive additional sales to existing customers and expect to invest in sales and marketing and customer success personnel and activities to achieve additional revenue growth from existing customers. If an application grows and requires additional capacity, our customers increase their subscriptions to our platform. In addition, our customers expand their subscriptions to our platform as they migrate additional existing applications or build new applications, either within the same department or in other lines of business or geographies. Also, as customers modernize their information technology infrastructure and move to the cloud, they may migrate applications from legacy databases. Our goal is to increase the number of customers that standardize on our database within their organization. Over time, the subscription amount for our typical Direct Sales Customer has increased.

We calculate annualized recurring revenue (“ARR”) and annualized monthly recurring revenue (“MRR”) to help us measure our subscription revenue performance. ARR includes the revenue we expect to receive from our customers over the following 12 months based on contractual commitments and, in the case of Direct Sales Customers of MongoDB Atlas, by annualizing the prior 90 days of their actual consumption of MongoDB Atlas, assuming no increases or reductions in their subscriptions or usage. For all other customers of our self-serve products, we calculate annualized MRR by annualizing the prior 30 days of their actual consumption of such products, assuming no increases or reductions in usage. ARR and annualized MRR exclude professional services. The number of customers with \$100,000 or greater in ARR and annualized MRR was 975, 751 and 557 as of January 31, 2021, 2020 and 2019, respectively. Prior to January 31, 2020, ARR related to Direct Sales Customers of MongoDB Atlas was based on their contractual commitments, regardless of their actual consumption. To better reflect actual customer behavior, we modified our ARR calculation related to Direct Sales Customers of MongoDB Atlas to incorporate their prior 90 days of actual consumption. The impact of this change on prior reported periods is immaterial. Our ability to increase sales to existing customers will depend on a number of factors, including customers’ satisfaction or dissatisfaction with our products and services, competition, pricing, economic conditions or overall changes in our customers’ spending levels.

We also examine the rate at which our customers increase their spend with us, which we call net ARR expansion rate. We calculate net ARR expansion rate by dividing the ARR at the close of a given period (the “measurement period”), from customers who were also customers at the close of the same period in the prior year (the “base period”), by the ARR from all customers at the close of the base period, including those who churned or reduced their subscriptions. For Direct Sales Customers included in the base period, measurement period or both such periods that were self-serve customers in any such period, we also include annualized MRR from those customers in the calculation of the net ARR expansion rate. Our net ARR expansion rate has consistently been over 120%.

Our ability to increase sales to existing customers will depend on a number of factors, including customers’ satisfaction or dissatisfaction with our products and services, competition, pricing, economic conditions or overall changes in our customers’ spending levels.

### *Investing in Growth and Scaling Our Business*

We are focused on our long-term revenue potential. We believe that our market opportunity is large and we will continue to invest significantly in scaling across all organizational functions in order to grow our operations both domestically and internationally. Any investments we make in our sales and marketing organization will occur in advance of experiencing the benefits from such investments, so it may be difficult for us to determine if we are efficiently allocating resources in those areas. We have increased our sales and marketing headcount to 1,171 employees as of January 31, 2021 from 789 employees and 466 employees as of January 31, 2020 and 2019, respectively.

## **Components of Results of Operations**

### *Revenue*

**Subscription Revenue.** Our subscription revenue is comprised of term licenses and hosted as-a-service solutions. Subscriptions to term licenses include technical support and access to new software versions on a when-and-if available basis. Revenue from our term licenses is recognized upfront for the license component and ratably for the technical support and when-and-if available update components. Revenue from term licenses is typically billed annually in advance. Revenue from our hosted as-a-service solutions is primarily generated on a usage basis and is billed either in arrears or paid up front. The majority of our subscription contracts are one year in duration and are invoiced upfront. Our subscription contracts are

generally non-cancelable and non-refundable. When we enter into multi-year subscriptions, we typically invoice the customer on an annual basis.

*Services Revenue.* Services revenue is comprised of consulting and training services and is recognized over the period of delivery of the applicable services. We recognize revenue from services agreements as services are delivered.

We expect our revenue may vary from period to period based on, among other things, the timing and size of new subscriptions, the proportion of term license contracts that commence within the period, the rate of customer renewals and expansions, delivery of professional services, the impact of significant transactions and seasonality of or fluctuations in usage for our consumption-based customers. Further, we currently expect our revenue to be negatively impacted by the slowdown in activity associated with the COVID-19 pandemic in fiscal 2022.

#### *Cost of Revenue*

*Cost of Subscription Revenue.* Cost of subscription revenue primarily includes personnel costs, including salaries, bonuses and benefits and stock-based compensation, for employees associated with our subscription arrangements principally related to technical support and allocated shared costs, as well as depreciation and amortization. Our cost of subscription revenue for our hosted as-a-service solutions also includes third-party cloud infrastructure expenses. We expect our cost of subscription revenue to increase in absolute dollars as our subscription revenue increases and, depending on the results of MongoDB Atlas, our cost of subscription revenue may increase as a percentage of subscription revenue as well.

*Cost of Services Revenue.* Cost of services revenue primarily includes personnel costs, including salaries, bonuses and benefits, and stock-based compensation, for employees associated with our professional service contracts, as well as, travel costs, allocated shared costs and depreciation and amortization. We expect our cost of services revenue to increase in absolute dollars as our services revenue increases.

#### *Gross Profit and Gross Margin*

*Gross Profit.* Gross profit represents revenue less cost of revenue.

*Gross Margin.* 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 average sales price of our products and services, the mix of products sold, transaction volume growth and the mix of revenue between subscriptions and services. We expect our gross margin to fluctuate over time depending on the factors described above and, to the extent MongoDB Atlas revenue increases as a percentage of total revenue, our gross margin may decline as a result of the associated hosting costs of MongoDB Atlas.

#### *Operating Expenses*

Our operating expenses consist of sales and marketing, research and development and general and administrative expenses. Personnel costs are the most significant component of each category of operating expenses. Operating expenses also include travel and related costs and allocated overhead costs for facilities, information technology and employee benefit costs.

*Sales and Marketing.* Sales and marketing expense consists primarily of personnel costs, including salaries, sales commission and benefits, bonuses and stock-based compensation. These expenses also include costs related to marketing programs, travel-related expenses and allocated overhead. Marketing programs consist of advertising, events, corporate communications, and brand-building and developer-community activities. We expect our sales and marketing expense to increase in absolute dollars over time as we expand our sales force and increase our marketing resources, expand into new markets and further develop our self-serve and partner channels.

*Research and Development.* Research and development expense consists primarily of personnel costs, including salaries, bonuses and benefits, and stock-based compensation. It also includes amortization associated with intangible acquired assets and allocated overhead. We expect our research and development expenses to continue to increase in absolute dollars, as we continue to invest in our platform and develop new products.

*General and Administrative.* General and administrative expense consists primarily of personnel costs, including salaries, bonuses and benefits, and stock-based compensation for administrative functions including finance, legal, human resources and external legal and accounting fees, as well as allocated overhead. We expect general and administrative expense to increase in absolute dollars over time as we continue to invest in the growth of our business and incur the costs of compliance associated with being a publicly traded company.

*Other Income (Expense), net*

Other income (expense), net consists primarily of interest income, interest expense and gains and losses from foreign currency transactions.

*Provision for (Benefit from) Income Taxes*

Provision for income taxes consists primarily of state income taxes in the United States and income taxes in certain foreign jurisdictions in which we conduct business. As of January 31, 2021, we had net operating loss (“NOL”) carryforwards for federal, state, Irish and U.K. income tax purposes of approximately \$1.2 billion, \$1.1 billion, \$384.0 million and \$22.1 million, respectively, which begin to expire in the year ending January 31, 2028 for federal purposes and January 31, 2021 for state purposes. Ireland, U.K. and the U.S. federal losses for the years after January 31, 2018 allows NOLs to be carried forward indefinitely. The deferred tax assets associated with the NOL carryforwards in each of these jurisdictions are subject to a full valuation allowance. Under Section 382 of the U.S. Internal Revenue Code of 1986 (the “Code”), a corporation that experiences an “ownership change” is subject to a limitation on its ability to utilize its pre-change NOLs to offset future taxable income. The Company also has federal and state research credit carryforwards of \$52.9 million and \$4.1 million, respectively, which begin to expire in the year ending January 31, 2029 for federal purposes and January 31, 2025 for state purposes. Utilization of the federal NOL carryforwards and credits may be subject to a substantial annual limitation due to the ownership change limitations provided by the Code, as amended and similar state provisions. The annual limitation, should the Company undergo an ownership change, may result in the expiration of federal or state net operating losses and credits before utilization, however the Company does not expect any such limitation to be material.

**Highlights for the Years Ended January 31, 2021, 2020 and 2019**

For the years ended January 31, 2021, 2020 and 2019, our total revenue was \$590.4 million, \$421.7 million and \$267.0 million, respectively. Our net loss was \$266.9 million, \$175.5 million and \$99.0 million for the years ended January 31, 2021, 2020 and 2019, respectively. Our operating cash flow was \$(42.7) million, \$(29.5) million and \$(42.0) million for the years ended January 31, 2021, 2020 and 2019, respectively. Our free cash flow was \$(59.1) million, \$(35.0) million and \$(48.8) million for the years ended January 31, 2021, 2020 and 2019, respectively. See the section titled “Liquidity and Capital Resources—Non-GAAP Free Cash Flow” below.

## Results of Operations

The following tables set forth our results of operations for the periods presented in dollars and as a percentage of our total revenue. Percentage of revenue figures are rounded and therefore may not subtotal exactly.

	Years Ended January 31,		
	2021	2020	2019
<b>Consolidated Statements of Operations Data:</b>			
Revenue:			
Subscription	\$ 565,349	\$ 399,826	\$ 248,391
Services	25,031	21,894	18,625
Total revenue	590,380	421,720	267,016
Cost of revenue:			
Subscription <sup>(1)</sup>	145,280	101,691	56,255
Services <sup>(1)</sup>	31,796	23,665	17,313
Total cost of revenue	177,076	125,356	73,568
Gross profit	413,304	296,364	193,448
Operating expenses:			
Sales and marketing <sup>(1)</sup>	325,100	223,893	148,296
Research and development <sup>(1)</sup>	205,161	149,033	89,854
General and administrative <sup>(1)</sup>	92,347	71,304	53,063
Total operating expenses	622,608	444,230	291,213
Loss from operations	(209,304)	(147,866)	(97,765)
Other expense, net	(53,389)	(28,312)	(4,564)
Loss before provision for (benefit from) income taxes	(262,693)	(176,178)	(102,329)
Provision for (benefit from) income taxes	4,251	(656)	(3,318)
Net loss	\$ (266,944)	\$ (175,522)	\$ (99,011)

<sup>(1)</sup> Includes stock-based compensation expense as follows (in thousands):

	Years Ended January 31,		
	2021	2020	2019
Cost of revenue—subscription	\$ 8,970	\$ 4,996	\$ 2,047
Cost of revenue—services	\$ 4,953	3,047	1,239
Sales and marketing	\$ 54,632	26,640	11,059
Research and development	\$ 57,611	26,686	11,687
General and administrative	\$ 23,147	14,407	11,371
Total stock-based compensation expense	\$ 149,313	\$ 75,776	\$ 37,403

	Years Ended January 31,		
	2021	2020	2019
<b>Percentage of Revenue Data:</b>			
Revenue:			
Subscription	96 %	95 %	93 %
Services	4	5	7
Total revenue	100	100	100
Cost of revenue:			
Subscription	25	24	21
Services	5	6	6
Total cost of revenue	30	30	27
Gross profit	70	70	73
Operating expenses:			
Sales and marketing	55	53	56
Research and development	35	35	34
General and administrative	15	17	20
Total operating expenses	105	105	110
Loss from operations	(35)	(35)	(37)
Other income (expense), net	(9)	(7)	(2)
Loss before provision for (benefit from) income taxes	(44)	(42)	(39)
Provision for (benefit from) income taxes	1	—	(1)
Net loss	(45)%	(42)%	(38)%

## Comparison of the Years Ended January 31, 2021 and 2020

### Revenue

(in thousands)	Years Ended January 31,		Change	
	2021	2020	\$	%
Subscription	\$ 565,349	\$ 399,826	\$ 165,523	41 %
Services	25,031	21,894	3,137	14 %
Total revenue	\$ 590,380	\$ 421,720	\$ 168,660	40 %

Total revenue growth reflects increased demand for our platform and related services. Subscription revenue increased by \$165.5 million primarily from additional sales to existing customers, which was estimated to have been \$122.1 million. The remainder of the estimated \$43.4 million increase in subscription revenue resulted from sales to new customers. The increase in services revenue was driven primarily by an increase in sales of professional services to new customers.

### Cost of Revenue, Gross Profit and Gross Margin Percentage

(in thousands)	Years Ended January 31,		Change	
	2021	2020	\$	%
Subscription cost of revenue	\$ 145,280	\$ 101,691	\$ 43,589	43 %
Services cost of revenue	31,796	23,665	8,131	34 %
Total cost of revenue	177,076	125,356	51,720	41 %
Gross profit	\$ 413,304	\$ 296,364	\$ 116,940	39 %
Gross margin	70 %	70 %		
Subscription	74 %	75 %		
Services	(27)%	(8)%		

The increase in subscription cost of revenue was primarily due to a \$31.5 million increase in third-party cloud infrastructure costs, including costs associated with the growth of MongoDB Atlas, as well as a \$9.7 million increase in personnel costs and stock-based compensation associated with increased headcount in our support organization. The increase in services cost of revenue was primarily due to higher compensation costs from increased headcount in our services organization and higher expense associated with our China Stock Appreciation Rights Plan, partially offset by lower travel costs resulting from global travel restrictions and stay-at-home or similar orders in effect due to the ongoing COVID-19 pandemic. Total headcount in our support and services organizations increased 28% from January 31, 2020 to January 31, 2021.

Our overall gross margin remained flat. Our subscription gross margin declined due to the increase in subscription revenue from MongoDB Atlas as a percentage of our overall revenue. This change in revenue mix caused gross margin to decline due to the increase in third-party cloud infrastructure costs associated with MongoDB Atlas. In addition, our cost of revenue included higher personnel costs and stock-based compensation. Our services gross margin was impacted by higher compensation costs combined with lower utilization of our services personnel due to impacts of the ongoing COVID-19 pandemic and is subject to fluctuations as a result of timing of sales of standalone consulting and training services.

## Operating Expenses

### Sales and Marketing

(in thousands)	Years Ended January 31,		Change	
	2021	2020	\$	%
Sales and marketing	\$ 325,100	\$ 223,893	\$ 101,207	45 %

The increase in sales and marketing expense included \$88.0 million from higher personnel costs and stock-based compensation, driven by an increase in our sales and marketing headcount to 1,171 as of January 31, 2021 from 789 as of January 31, 2020, which includes non-quota-carrying hires in sales operations, customer success and marketing. In addition, we experienced increased payroll taxes associated with employee stock option exercises and restricted stock unit vesting as a result of our higher average stock price as compared to the prior year. Sales and marketing expense also increased \$20.4 million from costs associated with our higher headcount, including higher commissions expense and higher facilities and computer hardware and software expenses. In addition, expenses increased \$6.8 million due to higher spend on marketing programs. These increases were partially offset by lower travel costs resulting from global travel restrictions and stay-at-home or similar orders in effect due to the ongoing COVID-19 pandemic.

### Research and Development

(in thousands)	Years Ended January 31,		Change	
	2021	2020	\$	%
Research and development	\$ 205,161	\$ 149,033	\$ 56,128	38 %

The increase in research and development expense was primarily driven by a \$63.0 million increase in personnel costs and stock-based compensation as we increased our research and development headcount by 34% to 638 as of January 31, 2021 from 476 as of January 31, 2020. The increase in personnel costs was impacted by higher payroll taxes associated with employee stock option exercises and restricted stock unit vesting as a result of our higher average stock price as compared to the prior-year period. These increases were partially offset by the full amortization of previously acquired developed technology intangible assets and the full amortization of the founder holdback associated with our acquisition of mLab and by lower travel costs resulting from global travel restrictions and stay-at-home or similar orders in effect due to the ongoing COVID-19 pandemic.

### General and Administrative

(in thousands)	Years Ended January 31,		Change	
	2021	2020	\$	%
General and administrative	\$ 92,347	\$ 71,304	\$ 21,043	30 %

The increase in general and administrative expense was due to higher costs to support the growth of our business and to maintain compliance as a public company. In particular, these higher costs were driven by an increase in general and administrative personnel headcount resulting in \$26.0 million of higher personnel costs and stock-based compensation. A portion of the increased personnel costs was from higher payroll taxes associated with employee stock option exercises and restricted stock unit vesting as a result of our higher average stock price as compared to the prior year. These higher costs were partially offset by lower travel costs resulting from global travel restrictions and stay-at-home or similar orders in effect due to the ongoing COVID-19 pandemic. The prior-year period included \$0.6 million of costs associated with our acquisition of Realm, with no comparable costs for the year ended January 31, 2021.

### Other Income (Expense), net

(in thousands)	Years Ended January 31,		Change	
	2021	2020	\$	%
Other expense, net	\$ (53,389)	\$ (28,312)	\$ (25,077)	89 %

The increase in other expense, net for the January 31, 2021 was primarily due to the amortization of debt discount and issuance costs, as well as interest expense, associated with our 0.25% convertible senior notes due 2026, which we issued in January 2020.

## Provision for (Benefit from) Income Taxes

(in thousands)	Years Ended January 31,		Change	
	2021	2020	\$	%
Provision for (benefit from) income taxes	\$ 4,251	\$ (656)	\$ 4,907	nm

The provision for income taxes during the year ended January 31, 2021 was primarily due to an increase in foreign taxes as we continued our global expansion. The benefit for income taxes for the year ended January 31, 2020 was primarily due to a non-recurring tax benefit associated with the acquisition of Realm intangible assets, which reduced our deferred tax asset and the related valuation allowance.

## Comparison of the Years Ended January 31, 2020 and 2019

For a discussion of our results of operations for the year ended January 31, 2020 as compared to the year ended January 31, 2019, refer to Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, of our Annual Report on Form 10-K filed with the SEC on March 27, 2020.

## Liquidity and Capital Resources

As of January 31, 2021, we had cash, cash equivalents, short-term investments and restricted cash totaling \$958.3 million. Our cash and cash equivalents primarily consist of bank deposits and money market funds. Our short-term investments consist of U.S. government treasury securities and our restricted cash represents collateral for our available credit on corporate credit cards. We believe our existing cash and cash equivalents and short-term investments will be sufficient to fund our operating and capital needs for at least the next 12 months.

In January 2020, we issued \$1.15 billion aggregate principal amount of 0.25% convertible senior notes due 2026 in a private placement (the "2026 Notes"). In June 2018, we issued \$250.0 million aggregate principal amount of 0.75% convertible senior notes due 2024 in a private placement and, in July 2018, we issued an additional \$50.0 million aggregate principal amount of convertible senior notes pursuant to the exercise in full of the initial purchasers' option to purchase additional convertible senior notes (collectively, the "2024 Notes"). The total net proceeds from the issuance of the 2026 Notes and 2024 Notes, after deducting initial purchase discounts and estimated debt issuance costs, were approximately \$1.13 billion and \$291.1 million, respectively. In connection with the pricing of the 2026 Notes and 2024 Notes, we entered into privately negotiated capped call transactions with certain counterparties (the "Capped Calls"). The Capped Calls are expected to partially offset the potential dilution to our Class A common stock upon any conversion of the 2026 Notes and 2024 Notes, with such offset subject to a cap based on the cap price. We used \$92.9 million of the proceeds from the 2026 Notes and \$37.1 million of the proceeds from the 2024 Notes to purchase the Capped Calls, which was recorded as a reduction to additional paid-in capital.

On January 14, 2020, in connection with the issuance of the 2026 Notes, we used a portion of the net proceeds to repurchase \$210.0 million aggregate principal amount of the 2024 Notes ("2024 Notes Partial Repurchase") leaving \$90.0 million aggregate principal outstanding on the 2024 Notes as of January 31, 2020. The 2024 Notes Partial Repurchase were not pursuant to a redemption notice and were individually privately negotiated transactions for aggregate cash consideration of \$479.2 million. For further discussion on the 2024 Notes and 2026 Notes, please refer to Note 6, *Convertible Senior Notes*, in Part II, Item 8, *Financial Statements and Supplementary Data*, of this Form 10-K.

We have generated significant operating losses and negative cash flows from operations as reflected in our accumulated deficit and consolidated statements of cash flows. As of January 31, 2021, we had an accumulated deficit of \$935.4 million. We expect to continue to incur operating losses and negative cash flows from operations in the future and may require additional capital resources to execute strategic initiatives to grow our business. Our future capital requirements and adequacy of available funds will depend on many factors including our growth rate, the timing and extent of spending to support development efforts, the expansion of sales and marketing and international operation activities, the timing of new subscription introductions, the continuing market acceptance of our subscriptions and services and the impact of the ongoing COVID-19 pandemic on the global economy and our business, financial condition and results of operations. As the impact of the ongoing COVID-19 pandemic on the global economy and our operations continues to evolve, we will continue to assess our liquidity needs. We may in the future enter into arrangements to acquire or invest in complementary businesses, services and technologies, including intellectual property rights. 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, our business, operating results and financial condition would be adversely affected.

The following table summarizes our cash flows for the periods presented (in thousands):

	Years Ended January 31,		
	2021	2020	2019
Net cash used in operating activities	\$ (42,673)	\$ (29,540)	\$ (41,989)
Net cash used in investing activities	(262,656)	(1,645)	(160,279)
Net cash provided by financing activities	27,581	589,238	288,236

#### *Operating Activities*

Cash used in operating activities during the year ended January 31, 2021 was \$42.7 million primarily driven by our net loss of \$266.9 million, which was partially offset by non-cash charges of \$149.3 million for stock-based compensation, \$49.1 million for the amortization of our debt discount and issuance costs, \$14.2 million for depreciation and amortization and \$10.4 million for lease-related non-cash charges. In addition, our accrued and other liabilities increased \$41.6 million, primarily from commissions, bonuses and related payroll taxes accrued as of January 31, 2021. The overall growth of our sales and our expanding customer base led to an increase in deferred revenue by \$48.2 million, offset by an increase in accounts receivable of \$47.6 million and an increase of \$41.6 million in deferred commissions.

Cash used in operating activities during the year ended January 31, 2020 was \$29.5 million primarily driven by our net loss of \$175.5 million and was partially offset by non-cash charges of \$75.8 million for stock-based compensation, \$14.8 million for the amortization of our debt discount and issuance costs, \$14.5 million for the loss on early extinguishment of debt, \$12.8 million for depreciation and amortization and \$8.8 million for lease-related non-cash charges. In addition, we increased our deferred revenue by \$53.1 million, partially offset by a decrease in accounts receivable of \$12.7 million, reflecting the overall growth of our sales and our expanding customer base. Additionally, our accrued liabilities increased \$20.4 million, primarily from commissions and bonuses accrued as of January 31, 2020. Partially offsetting these benefits to our operating cash flow were an increase of \$28.4 million in deferred commissions, non-cash benefits of \$3.3 million from the non-recurring tax benefit associated with the acquisition of Realm intangible assets, a non-cash benefit of \$4.1 million associated with the discount on our short-term investments and a reduction of our prepaid expenses of \$3.8 million.

#### *Investing Activities*

Cash used in investing activities during the year ended January 31, 2021 of \$262.7 million resulted from the purchase of marketable securities, net of maturities, \$11.8 million used to purchase property and equipment and \$0.5 million of net cash used to purchase non-marketable securities.

Cash used in investing activities during the year ended January 31, 2020 of \$1.6 million resulted from the purchase of marketable securities, net of maturities, \$38.6 million of net cash used to acquire Realm and \$3.6 million used to purchase property and equipment.

#### *Financing Activities*

Cash provided by financing activities during the year ended January 31, 2021 was \$27.6 million, primarily due to \$18.5 million of proceeds from the issuance of Class A common stock under the Employee Stock Purchase Plan and \$17.0 million of proceeds from the exercises of stock options, partially offset by \$4.6 million principal repayments of finance leases, as well as \$4.2 million used for payments of issuance costs related to our January 2020 offering of 0.25% convertible senior notes due 2026 that had been accrued as of January 31, 2020.

Cash provided by financing activities during the year ended January 31, 2020 was \$589.2 million primarily due to \$1.1 billion of proceeds from the issuance of the 2026 Notes, net of issuance costs and the Capped Calls, as well as the proceeds from the exercise of stock options and issuance of common stock under the Employee Stock Purchase Plan. These proceeds were partially offset by \$479.1 million used for the 2024 Notes Partial Repurchase.

#### *Non-GAAP Free Cash Flow*

To supplement our consolidated financial statements, which are prepared and presented in accordance with generally accepted accounting principles in the United States ("GAAP"), we provide investors with the amount of free cash flow, which is a non-GAAP financial measure. Free cash flow represents net cash used in operating activities less capital expenditures, principal repayments of finance lease liabilities and capitalized software development costs, if any. For the fiscal years ended January 31, 2021, 2020 and 2019, we did not capitalize any software development costs. Free cash flow is

a measure used by management to understand and evaluate our liquidity and to generate future operating plans. The exclusion of capital expenditures, principal repayments of finance lease liabilities and amounts capitalized for software development facilitates comparisons of our liquidity on a period-to-period basis and excludes items that we do not consider to be indicative of our liquidity. We believe that free cash flow is a measure of liquidity that provides useful information to our management, investors and others in understanding and evaluating the strength of our liquidity and future ability to generate cash that can be used for strategic opportunities or investing in our business in the same manner as our management and Board of Directors. Nevertheless, our use of free cash flow has limitations as an analytical tool and you should not consider it in isolation or as a substitute for analysis of our financial results as reported under GAAP. Further, our definition of free cash flow may differ from the definitions used by other companies and therefore comparability may be limited. You should consider free cash flow alongside our other GAAP-based financial performance measures, such as net cash used in operating activities and our other GAAP financial results.

The following table presents a reconciliation of free cash flow to net cash used in operating activities, the most directly comparable GAAP measure, for each of the periods indicated (in thousands):

	Years Ended January 31,		
	2021	2020	2019
Net cash used in operating activities	\$ (42,673)	\$ (29,540)	\$ (41,989)
Capital expenditures	(11,773)	(3,564)	(6,848)
Principal repayments of finance leases	(4,633)	(1,915)	—
Capitalized software	—	—	—
Free cash flow	<u>\$ (59,079)</u>	<u>\$ (35,019)</u>	<u>\$ (48,837)</u>

### Contractual Obligations and Commitments

The following table summarizes our contractual obligations as of January 31, 2021 (in thousands):

	Payments Due by Period				
	Total	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years
0.75% convertible senior notes due 2024	\$ 92,348	\$ 28,269	\$ 1,350	\$ 62,729	\$ —
0.25% convertible senior notes due 2026	1,164,375	2,875	5,750	1,155,750	—
Finance lease obligations	75,493	8,073	16,146	17,156	34,118
Operating lease obligations	49,590	7,988	14,936	10,234	16,432
Purchase obligations	371,980	112,097	175,505	84,378	—
Total	<u>\$ 1,753,786</u>	<u>\$ 159,302</u>	<u>\$ 213,687</u>	<u>\$ 1,330,247</u>	<u>\$ 50,550</u>

Our principal contractual obligations and commitments consist of the principal and future interest payments related to our 2024 Notes and 2026 Notes, our purchase obligations under non-cancelable agreements for cloud infrastructure capacity commitments and subscription and marketing services and our finance and operating lease obligations under non-cancelable leases for office space expiring through 2029. In December 2020, we expanded our enterprise partnership arrangement with a cloud infrastructure provider that includes a non-cancelable commitment of \$160.0 million over the next three years, which commenced during January 2021. Excluded in the contractual obligations and commitments table above are lease commitments for additional office space that commence after January 31, 2021.

For further details of our contractual obligations and lease agreements, refer to our Notes to Consolidated Financial Statements, within Part II, Item 8, *Financial Statements and Supplementary Data* of this Form 10-K, specifically Note 6, *Convertible Senior Notes*, Note 7, *Leases* and Note 8, *Commitments and Contingencies*.

## Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

The critical accounting estimates, assumptions and judgments that we believe have the most significant impact on our consolidated financial statements are described below.

### Revenue Recognition

We derive our revenue from two sources: (1) sales of subscriptions, including term license and post-contract customer support (“PCS”) and consumption-based database-as-a-service offerings; and (2) services revenue comprised of consulting and training arrangements. We recognize revenue when our customer obtains control of promised goods or services in an amount that reflects the consideration that we expect to receive in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as we fulfill our obligations under each of our agreements, we perform the following steps:

- i. **Identification of the contract, or contracts, with a customer.** We contract with our customers through order forms, which are governed by master sales agreements. We determine we have a contract with a customer when the contract is approved, each party’s rights regarding the products or services to be transferred is identified, the payment terms for the services can be identified, we have determined the customer has the ability and intent to pay and the contract has commercial substance. We apply judgment in determining the customer’s ability and intent to pay, which is based on a variety of factors, including the customer’s historical payment experience or, in the case of a new customer, credit, reputation and financial or other information pertaining to the customer. At contract inception, we evaluate whether two or more contracts should be combined and accounted for as a single contract and whether the combined or single contract includes more than one performance obligation. We have concluded that our contracts with customers do not contain warranties that give rise to a separate performance obligation.
- ii. **Identification of the performance obligations in the contract.** Performance obligations promised in a contract are identified based on the services or products that will be transferred to the customer that are both (1) capable of being distinct, whereby the customer can benefit from the service or product either on its own or together with other resources that are readily available from third parties or from us and (2) distinct in the context of the contract, whereby the transfer of the services or products is separately identifiable from other promises in the contract. To the extent a contract includes multiple promised services or products, we apply judgment to determine whether promised services or products are capable of being distinct and distinct in the context of the contract. If these criteria are not met, the promised services or products are accounted for as a combined performance obligation.
- iii. **Determination of the transaction price.** The transaction price is determined based on the consideration to which we expect to be entitled in exchange for transferring services and products to the customer. Variable consideration is included in the transaction price if, in our judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. None of our contracts contain a significant financing component.
- iv. **Allocation of the transaction price to the performance obligations in the contract.** If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. For contracts that contain multiple performance obligations, we allocate the transaction price to each performance obligation based on a relative standalone selling price (“SSP”) basis. We also consider if there are any additional material rights inherent in a contract and if so, we allocate a portion of the transaction price to such rights based on SSP. We determine each SSP based on multiple factors, including past history of selling such performance obligations as standalone products. We estimate SSP for performance obligations with no observable evidence using adjusted market, cost plus and residual methods to establish the SSPs. In cases where directly observable standalone sales are not available, we utilize all observable data points including competitor pricing for a similar or identical product, market and industry data points and our pricing practices.
- v. **Recognition of revenue when, or as, we satisfy a performance obligation.** We recognize revenue at the time the related performance obligation is satisfied when control of the services or products are transferred to the customers,

in an amount that reflects the consideration we expect to be entitled to in exchange for those services or products. We record our revenue net of any value added or sales tax.

### Business Combinations

We use our best estimates and assumptions to assign fair value to the tangible and intangible assets acquired and liabilities assumed as of the acquisition date. These estimates are inherently uncertain and subject to refinement. During the measurement period, which may be up to one year from the acquisition date, we may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill. In addition, uncertain tax positions and tax-related valuation allowances are initially established in connection with a business combination as of the acquisition date. Upon the conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of operations.

### **Recent Accounting Pronouncements**

Refer to Note 2, *Summary of Significant Accounting Policies*, in the Notes to Consolidated Financial Statements included in Part II, Item 8, *Financial Statements*, of this Form 10-K for a discussion of recent accounting pronouncements, including our adoption of the new credit loss standard under Accounting Standards Codification 326.

### **Item 7A. 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 business. The uncertainty that exists with respect to the global economic impact of the ongoing COVID-19 pandemic has introduced significant volatility in the financial markets.

#### *Interest Rate Risk*

Our cash and cash equivalents primarily consist of bank deposits and money market funds and our short-term investments consist of U.S. government treasury securities. As of January 31, 2021 and 2020, we had cash, cash equivalents, restricted cash and short-term investments of \$958.3 million and \$987.0 million, respectively. The carrying amount of our cash equivalents reasonably approximates fair value, due to the short maturities of these instruments. 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. Our investments are exposed to market risk due to a fluctuation in interest rates, which may affect our interest income and the fair market value of our investments. The effect of a hypothetical 10% increase or decrease in interest rates would not have had a material impact on the fair market value of our investments as of January 31, 2021 and 2020.

In June 2018, we issued \$250.0 million aggregate principal amount of 0.75% convertible senior notes due 2024 in a private placement and, in July 2018, we issued an additional \$50.0 million aggregate principal amount of 0.75% convertible senior notes pursuant to the exercise in full of the initial purchasers' option to purchase additional convertible senior notes (collectively, the "2024 Notes"). In January 2020, we issued \$1.15 billion aggregate principal amount of 0.25% convertible senior notes due 2026 in a private placement (the "2026 Notes"). Concurrently with the issuance of the 2026 Notes, we repurchased \$210.0 million aggregate principal amount of the 2024 Notes leaving \$90.0 million aggregate principal outstanding on the 2024 Notes immediately after the exchange. The fair values of the 2024 Notes and 2026 Notes are subject to interest rate risk, market risk and other factors due to the conversion feature. The fair value of the 2024 Notes and 2026 Notes will generally increase as our Class A common stock price increases and will generally decrease as our Class A common stock price declines. The interest and market value changes affect the fair value of the 2024 Notes and 2026 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 2024 Notes and 2026 Notes at face value less unamortized discount on our balance sheet, and we present the fair value for required disclosure purposes only.

### *Foreign Currency Risk*

Our sales contracts are primarily denominated in U.S. dollars, British pounds (“GBP”) or Euros (“EUR”). A portion of our 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 changes in the GBP and EUR. Additionally, fluctuations in foreign currency exchange rates may cause us to recognize transaction gains and losses in our statement of operations. The effect of a hypothetical 10% change in foreign currency exchange rates applicable to our business would not have a material impact on our historical consolidated financial statements for the years ended January 31, 2021 and 2020. Given the impact of foreign currency exchange rates has not been material to our historical operating results, we have not entered into derivative or hedging transactions, but we may do so in the future if our exposure to foreign currency should become more significant. As our international operations grow, we will continue to reassess our approach to manage our risk relating to fluctuations in currency rates.

### *Market Risk*

The Company could experience additional volatility to our consolidated statements of operations due to observable price changes and impairments to our non-marketable securities. These changes could be material based on market conditions and events, particularly in periods of significant market fluctuations that affect our non-marketable securities. The Company’s non-marketable securities are subject to a risk of partial or total loss of invested capital. As of January 31, 2021, the total amount of non-marketable equity securities included in other assets on the Company’s balance sheets was \$0.5 million. The Company did not have any such non-marketable securities in any prior periods.

**Item 8. Financial Statements and Supplementary Data**

**MongoDB, Inc.**  
**Form 10-K**  
**For the Fiscal Year Ended January 31, 2021**

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

	<u>Page</u>
<a href="#">Report of Independent Registered Public Accounting Firm</a>	<a href="#">64</a>
Financial Statements:	
<a href="#">Consolidated Balance Sheets as of January 31, 2021 and 2020</a>	<a href="#">66</a>
<a href="#">Consolidated Statements of Operations for the years ended January 31, 2021, 2020 and 2019</a>	<a href="#">67</a>
<a href="#">Consolidated Statements of Comprehensive Loss for the years ended January 31, 2021, 2020 and 2019</a>	<a href="#">68</a>
<a href="#">Consolidated Statements of Stockholders' Equity (Deficit) for the years ended January 31, 2021, 2020 and 2019</a>	<a href="#">69</a>
<a href="#">Consolidated Statements of Cash Flows for years ended January 31, 2021, 2020 and 2019</a>	<a href="#">70</a>
<a href="#">Notes to Consolidated Financial Statements</a>	<a href="#">72</a>

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of MongoDB, Inc.

### ***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheets of MongoDB, Inc. and its subsidiaries (the “Company”) as of January 31, 2021 and 2020, and the related consolidated statements of operations, of comprehensive loss, of stockholders' equity (deficit) and of cash flows for each of the three years in the period ended January 31, 2021, including the related notes and schedule of valuation and qualifying accounts for each of the three years in the period ended January 31, 2021 appearing under Item 15(a)(2) (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of January 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended January 31, 2021 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2021, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

### ***Change in Accounting Principle***

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for leases as of February 1, 2019.

### ***Basis for Opinions***

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### ***Definition and Limitations of Internal Control over Financial Reporting***

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Critical Audit Matters**

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### *Revenue Recognition - Allocation of Transaction Price in Revenue Arrangements with Multiple Performance Obligations*

As described in Notes 2 and 10 to the consolidated financial statements, other subscription revenue was \$294.5 million for the year ended January 31, 2021. Certain of the Company's contracts with customers contain multiple performance obligations, such as the license portion of time-based software licenses, post-contract customer support, and services. For these contracts that contain multiple performance obligations, management allocates the transaction price to each performance obligation based on a relative standalone selling price. Management determines each standalone selling price based on multiple factors, including past history of selling such performance obligations as standalone products. Management estimates standalone selling price for performance obligations with no observable evidence using adjusted market, cost plus and residual methods to establish the standalone selling prices. In cases where directly observable standalone sales are not available, management utilizes all observable data points including competitor pricing for a similar or identical product, market and industry data points, and the Company's pricing practices.

The principal considerations for our determination that performing procedures relating to revenue recognition - allocation of transaction price in revenue arrangements with multiple performance obligations is a critical audit matter are (i) the significant judgment by management in estimating the standalone selling price for certain of the Company's performance obligations and allocating the transaction price based on a relative allocation of standalone selling price to those individual performance obligations, which in turn led to (ii) significant auditor judgment, subjectivity and effort in performing procedures and evaluating management's estimates of standalone selling price and the allocation of transaction price to the individual performance obligations.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls over the estimation of the standalone selling price and the allocation of transaction price to the individual performance obligations. These procedures also included testing management's process for estimating the standalone selling prices, which involved (i) evaluating the appropriateness of the methodologies used by management in establishing the standalone selling prices; (ii) assessing the reasonableness of the significant assumptions developed by management; and (iii) testing the source data utilized in management's estimate calculations. These procedures also included testing the relative allocation of transaction price to individual performance obligations based on a sample of contracts.

/s/ PricewaterhouseCoopers LLP

San Jose, California  
March 22, 2021

We have served as the Company's auditor since 2013.

**MONGODB, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
*(in thousands, except share and per share data)*

	As of January 31,	
	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 429,697	\$ 706,192
Short-term investments	528,045	280,326
Accounts receivable, net of allowance for doubtful accounts of \$6,024 and \$2,515 as of January 31, 2021 and 2020, respectively	135,176	85,554
Deferred commissions	36,619	24,219
Prepaid expenses and other current assets	12,350	16,905
Total current assets	1,141,887	1,113,196
Property and equipment, net	62,364	58,316
Operating lease right-of-use assets	34,587	11,147
Goodwill	55,830	55,830
Acquired intangible assets, net	26,275	34,779
Deferred tax assets	997	615
Other assets	85,555	54,684
Total assets	<u>\$ 1,407,495</u>	<u>\$ 1,328,567</u>
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
Current liabilities:		
Accounts payable	\$ 4,144	\$ 2,849
Accrued compensation and benefits	70,210	41,427
Operating lease liabilities	2,343	3,750
Other accrued liabilities	56,440	26,860
Deferred revenue	221,404	167,498
Total current liabilities	354,541	242,384
Deferred tax liability, non-current	773	821
Operating lease liabilities, non-current	39,095	8,113
Deferred revenue, non-current	16,547	23,281
Convertible senior notes, net	937,729	911,075
Other liabilities, non-current	59,129	60,035
Total liabilities	<u>1,407,814</u>	<u>1,245,709</u>
Commitments and contingencies (Note 8)		
Temporary equity, convertible senior notes	4,714	—
Stockholders' equity (deficit):		
Class A common stock, par value of \$0.001 per share; 1,000,000,000 shares authorized as of January 31, 2021 and 2020; 60,997,822 shares issued and 60,898,451 shares outstanding as of January 31, 2021 and 48,512,090 shares issued and outstanding as of January 31, 2020	61	48
Class B common stock, par value of \$0.001 per share; no shares and 100,000,000 shares authorized as of January 31, 2021 and 2020, respectively; no shares issued and outstanding as of January 31, 2021; 8,969,824 shares issued and 8,870,453 shares outstanding as of January 31, 2020	—	9
Additional paid-in capital	932,332	752,127
Treasury stock, 99,371 shares (repurchased at an average of \$13.27 per share) as of January 31, 2021 and 2020	(1,319)	(1,319)
Accumulated other comprehensive income (loss)	(704)	225
Accumulated deficit	(935,403)	(668,232)
Total stockholders' equity (deficit)	<u>(5,033)</u>	<u>82,858</u>
Total liabilities, temporary equity and stockholders' equity (deficit)	<u>\$ 1,407,495</u>	<u>\$ 1,328,567</u>

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

**MONGODB, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(in thousands, except share and per share data)*

	Years Ended January 31,		
	2021	2020	2019
<b>Revenue:</b>			
Subscription	\$ 565,349	\$ 399,826	\$ 248,391
Services	25,031	21,894	18,625
Total revenue	<u>590,380</u>	<u>421,720</u>	<u>267,016</u>
<b>Cost of revenue:</b>			
Subscription	145,280	101,691	56,255
Services	31,796	23,665	17,313
Total cost of revenue	<u>177,076</u>	<u>125,356</u>	<u>73,568</u>
Gross profit	413,304	296,364	193,448
<b>Operating expenses:</b>			
Sales and marketing	325,100	223,893	148,296
Research and development	205,161	149,033	89,854
General and administrative	92,347	71,304	53,063
Total operating expenses	<u>622,608</u>	<u>444,230</u>	<u>291,213</u>
Loss from operations	(209,304)	(147,866)	(97,765)
<b>Other income (expense):</b>			
Interest income	4,569	8,556	7,163
Interest expense	(56,107)	(20,983)	(10,290)
Other expense, net	(1,851)	(15,885)	(1,437)
Loss before provision for (benefit from) income taxes	(262,693)	(176,178)	(102,329)
Provision for (benefit from) income taxes	4,251	(656)	(3,318)
Net loss	<u>\$ (266,944)</u>	<u>\$ (175,522)</u>	<u>\$ (99,011)</u>
Net loss per share, basic and diluted	<u>\$ (4.53)</u>	<u>\$ (3.14)</u>	<u>\$ (1.90)</u>
Weighted-average shares used to compute net loss per share, basic and diluted	<u>58,984,604</u>	<u>55,939,032</u>	<u>52,034,596</u>

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

**MONGODB, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
*(in thousands)*

	Years Ended January 31,		
	2021	2020	2019
Net loss	\$ (266,944)	\$ (175,522)	\$ (99,011)
Other comprehensive income (loss), net of tax:			
Unrealized gain (loss) on available-for-sale securities	(30)	91	94
Foreign currency translation adjustment	(899)	308	(109)
Other comprehensive income (loss)	(929)	399	(15)
Total comprehensive loss	<u>\$ (267,873)</u>	<u>\$ (175,123)</u>	<u>\$ (99,026)</u>

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

**MONGODB, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)**  
*(in thousands, except share data)*

	Class A and Class B Common Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount					
<b>Balances as of January 31, 2018</b>	50,575,571	\$ 51	\$ 638,680	\$ (1,319)	\$ (159)	\$ (389,596)	\$ 247,657
Stock option exercises	3,144,202	3	22,197	—	—	—	22,200
Repurchase of early exercised options	(35,668)	—	—	—	—	—	—
Vesting of early exercised stock options	—	—	1,204	—	—	—	1,204
Vesting of restricted stock units	263,129	—	—	—	—	—	—
Stock-based compensation	—	—	37,403	—	—	—	37,403
Issuance of common stock under the Employee Stock Purchase Plan	374,576	—	10,531	—	—	—	10,531
Equity component of the 0.75% convertible senior notes due 2024	—	—	81,683	—	—	—	81,683
Purchase of capped calls	—	—	(37,086)	—	—	—	(37,086)
Unrealized gain on available-for-sale securities	—	—	—	—	94	—	94
Foreign currency translation adjustment	—	—	—	—	(109)	—	(109)
Net loss	—	—	—	—	—	(99,011)	(99,011)
<b>Balances as of January 31, 2019</b>	54,321,810	54	754,612	(1,319)	(174)	(488,607)	264,566
Cumulative effect of accounting change	—	—	—	—	—	(4,103)	(4,103)
Stock option exercises	2,163,361	3	16,774	—	—	—	16,777
Repurchase of early exercised options	(5,677)	—	—	—	—	—	—
Vesting of early exercised stock options	—	—	296	—	—	—	296
Vesting of restricted stock units	748,061	—	—	—	—	—	—
Stock-based compensation	—	—	75,776	—	—	—	75,776
Issuance of common stock under the Employee Stock Purchase Plan	154,988	—	13,420	—	—	—	13,420
Equity component of the 0.25% convertible senior notes due 2026	—	—	288,998	—	—	—	288,998
Purchase of capped calls	—	—	(93,820)	—	—	—	(93,820)
Impact from 2024 Notes Partial Repurchase	—	—	(303,929)	—	—	—	(303,929)
Unrealized gain on available-for-sale securities	—	—	—	—	91	—	91
Foreign currency translation adjustment	—	—	—	—	308	—	308
Net loss	—	—	—	—	—	(175,522)	(175,522)
<b>Balances as of January 31, 2020</b>	57,382,543	57	752,127	(1,319)	225	(668,232)	82,858
Cumulative effect of accounting change	—	—	—	—	—	(227)	(227)
Stock option exercises	2,218,661	3	16,983	—	—	—	16,986
Repurchase of early exercised options	(960)	—	—	—	—	—	—
Vesting of early exercised stock options	—	—	100	—	—	—	100
Vesting of restricted stock units	1,163,259	1	—	—	—	—	1
Stock-based compensation	—	—	149,313	—	—	—	149,313
Issuance of common stock under the Employee Stock Purchase Plan	134,930	—	18,523	—	—	—	18,523
Conversion of 2024 convertible senior notes	18	—	—	—	—	—	—
Temporary equity reclassification	—	—	(4,714)	—	—	—	(4,714)
Unrealized loss on available-for-sale securities	—	—	—	—	(30)	—	(30)
Foreign currency translation adjustment	—	—	—	—	(899)	—	(899)
Net loss	—	—	—	—	—	(266,944)	(266,944)
<b>Balances as of January 31, 2021</b>	60,898,451	\$ 61	\$ 932,332	\$ (1,319)	\$ (704)	\$ (935,403)	\$ (5,033)

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

**MONGODB, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(in thousands)*

	Years Ended January 31,		
	2021	2020	2019
<b>Cash flows from operating activities</b>			
Net loss	\$ (266,944)	\$ (175,522)	\$ (99,011)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	14,177	12,783	5,792
Stock-based compensation	149,313	75,776	37,403
Amortization of debt discount and issuance costs	49,120	14,847	7,399
Amortization of finance right-of-use assets	3,975	3,976	—
Amortization of operating right-of-use assets	6,380	3,015	—
Non-cash interest on finance lease liabilities	—	1,823	1,570
Deferred income taxes	(364)	(3,292)	(4,960)
Accretion of discount on short-term investments	1,460	(4,060)	(3,875)
Loss on early extinguishment of debt	—	14,522	—
Unrealized foreign exchange gain	(1,329)	—	—
Change in operating assets and liabilities:			
Accounts receivable	(47,633)	(12,692)	(19,445)
Prepaid expenses and other current assets	4,824	(3,794)	(1,487)
Deferred commissions	(41,623)	(28,362)	(16,134)
Other long-term assets	(1,094)	(53)	(214)
Accounts payable	1,216	513	(913)
Deferred rent	—	—	1,642
Accrued liabilities	34,859	20,439	13,564
Operating lease liabilities	(4,014)	(3,291)	—
Deferred revenue	48,239	53,054	36,680
Other liabilities, non-current	6,765	778	—
Net cash used in operating activities	<u>(42,673)</u>	<u>(29,540)</u>	<u>(41,989)</u>
<b>Cash flows from investing activities</b>			
Purchases of property and equipment	(11,773)	(3,564)	(6,848)
Acquisition, net of cash acquired	—	(38,629)	(55,517)
Investment in non-marketable securities	(500)	—	—
Proceeds from maturities of marketable securities	740,000	470,000	450,000
Purchases of marketable securities	(990,383)	(429,452)	(547,914)
Net cash used in investing activities	<u>(262,656)</u>	<u>(1,645)</u>	<u>(160,279)</u>
<b>Cash flows from financing activities</b>			
Payments of issuance costs for convertible senior notes	(4,154)	—	—
Proceeds from exercise of stock options, including early exercised stock options	17,000	16,775	22,244
Proceeds from the issuance of common stock under the Employee Stock Purchase Plan	18,523	13,420	10,532
Repurchase of early exercised stock options	(11)	(43)	(327)
Principal repayments of finance leases	(4,633)	(1,915)	—
Proceeds from borrowings on convertible senior notes, net of issuance costs	—	1,132,991	291,145
Payments for 2024 Notes Partial Repurchase	—	(479,070)	—
Payment for purchase of capped calls	—	(92,920)	(37,086)
Proceeds from tenant improvement allowance on build-to-suit lease	856	—	1,728
Net cash provided by financing activities	<u>27,581</u>	<u>589,238</u>	<u>288,236</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	1,264	306	(48)
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>(276,484)</u>	<u>558,359</u>	<u>85,920</u>
Cash, cash equivalents and restricted cash, beginning of year	706,706	148,347	62,427
Cash, cash equivalents and restricted cash, end of year	<u>\$ 430,222</u>	<u>\$ 706,706</u>	<u>\$ 148,347</u>

	Years Ended January 31,		
	2021	2020	2019
<b>Supplemental cash flow disclosure</b>			
Cash paid during the period for:			
Income taxes, net of refunds	\$ 2,310	\$ 2,701	\$ 984
Interest expense, net	\$ 6,998	\$ 2,375	\$ 1,044
Noncash investing and financing activities			
Construction costs related to build-to-suit lease obligations	\$ —	\$ —	\$ 11,683
Vesting of early exercised stock options	\$ 100	\$ 296	\$ 1,204
Debt issuance and capped call costs included in accounts payable and accrued liabilities	\$ —	\$ 4,200	\$ —
Purchases of property and equipment included in accounts payable and accrued liabilities	\$ 2,848	\$ 1,134	\$ 66
<b>Reconciliation of cash, cash equivalents and restricted cash within the consolidated balance sheets to the amounts shown in the statements of cash flows above:</b>			
Cash and cash equivalents	\$ 429,697	\$ 706,192	\$ 147,831
Restricted cash, non-current	525	514	516
Total cash, cash equivalents and restricted cash	\$ 430,222	\$ 706,706	\$ 148,347

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

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Organization and Description of Business**

MongoDB, Inc. (“MongoDB” or the “Company”) was originally incorporated in the state of Delaware in November 2007 under the name 10Gen, Inc. In August 2013, the Company changed its name to MongoDB, Inc. The Company is headquartered in New York City. MongoDB is the leading, modern, general purpose database platform. The Company’s robust platform enables developers to build and modernize applications rapidly and cost-effectively across a broad range of use cases. Organizations can deploy the Company’s platform at scale in the cloud, on-premise or in a hybrid environment. In addition to selling its software, the Company provides post-contract support, training and consulting services for its offerings. The Company’s fiscal year ends January 31.

**2. Summary of Significant Accounting Policies***Basis of Presentation*

The 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 accounts of the Company and its wholly owned subsidiaries. All intercompany transactions and accounts have been eliminated.

*Use of Estimates*

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, assumptions and judgments 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, revenue recognition, allowances for doubtful accounts, the incremental borrowing rate related to the Company’s lease liabilities, stock-based compensation, fair value of the liability component of the convertible debt, fair value of common stock prior to the initial public offering, legal contingencies, fair value of acquired intangible assets and goodwill, useful lives of acquired intangible assets and property and equipment, fair value of non-marketable securities and accounting for 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.

The ongoing COVID-19 pandemic has resulted in a global slowdown of economic activity that is likely to continue to decrease demand for a broad variety of goods and services, including from the Company’s customers, while also disrupting sales channels and marketing activities for an unknown period of time. The Company currently expects its revenue to continue to be negatively impacted by the slowdown in activity associated with the ongoing COVID-19 pandemic in the near-term.

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, assumptions and judgments or adjust the carrying value of its 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.

*Foreign Currency*

The functional currency of the Company’s international subsidiaries is either the U.S. dollar or the local currency in which the international subsidiary operates. For these subsidiaries where the U.S. dollar is the functional currency, foreign currency denominated monetary assets and liabilities are re-measured into U.S. dollars at current exchange rates and foreign currency denominated nonmonetary assets and liabilities are re-measured into U.S. dollars at historical exchange rates. Transaction gains or losses from foreign currency re-measurement and settlements are included in other income (expense), net in the consolidated statements of operations. For foreign subsidiaries where the functional currency is the local currency, the Company uses the exchange rate as of the balance sheet date to translate assets and liabilities and the average exchange rate during the period to translate revenue and expenses into U.S. dollars. Translation gains or losses resulting from translating foreign local currency financial statements into U.S. dollars are included in accumulated other comprehensive income (loss) as a component of stockholders' equity (deficit).

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*Comprehensive Loss*

The Company's comprehensive loss includes net loss, unrealized gains and losses on available-for-sale debt securities and foreign currency translation adjustments.

*Cash and Cash Equivalents*

The Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. The Company maintains such investments primarily in money market funds, which have readily determinable fair values. Money market funds are measured using quoted prices in active markets with changes recorded in other income (expense), net on the consolidated statements of operations.

*Marketable Securities*

The Company's short-term investments consist of U.S. government treasury securities. The Company determines the appropriate classification of its short-term investments at the time of purchase and reevaluates such designation at each balance sheet date. The Company has classified and accounted for its short-term investments as available-for-sale debt securities as the Company may sell these securities at any time for use in its current operations or for other purposes, even prior to maturity. As a result, the Company classifies its short-term investments within current assets on the consolidated balance sheets.

Available-for-sale debt securities are recorded at fair value each reporting period. Realized gains and losses are determined based on the individual security level and are reported in other income (expense), net in the consolidated statements of operations. Unrealized gains on these short-term investments are reported as a separate component of accumulated other comprehensive income (loss) on the consolidated balance sheets until realized.

If the estimated fair value of an available-for-sale debt security is below its amortized cost basis, then the Company evaluates for impairment. The Company considers its intent to sell the security or whether it is more likely than not that it will be required to sell the security before recovery of its amortized basis. If either of these criteria are met, the debt security's amortized cost basis is written down to fair value through other income (expense), net in the consolidated statements of operations. If neither of these criteria are met, the Company evaluates whether unrealized losses have resulted from a credit loss or other factors. The factors considered in determining whether a credit loss exists can include the extent to which fair value is less than the amortized cost basis, changes to the rating of the security by a rating agency, any adverse conditions specifically related to the security, as well as other factors. An impairment relating to credit losses is recorded through an allowance for credit losses reported in other income (expense), net in the consolidated statements of operations. The allowance is limited by the amount that the fair value of the debt security is below its amortized cost basis. When a credit loss exists, the Company compares the present value of cash flows expected to be collected from the debt security with the amortized cost basis of the security to determine what allowance amount, if any, should be recorded. Unrealized losses not resulting from credit losses are recorded through accumulated other comprehensive income (loss) on the consolidated balance sheets.

For the years ended January 31, 2021, 2020 and 2019, the Company did not record any impairment charges related to credit losses for its marketable debt securities in its consolidated statements of operations.

*Restricted Cash*

As of January 31, 2021 and 2020, the Company pledged \$0.5 million of collateral for its available credit on corporate credit cards. Restricted cash balances have been excluded from our cash and cash equivalents balance and are included in other assets on the consolidated balance sheets.

*Non-marketable Securities*

Non-marketable securities consist of equity investments in privately-held companies, which are classified as other assets on the consolidated balance sheets. These non-marketable equity securities do not have readily determinable fair values. Under the measurement alternative election, the Company accounts for these non-marketable securities at cost and adjusted for observable price changes in orderly transactions for the identical or similar investments of the same issuer or upon impairment and are not eligible for the net-asset-value practical expedient from fair value measurement. The measurement alternative election is reassessed each reporting period to determine whether the non-marketable securities continue to be eligible for this election.

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

The Company periodically evaluates its non-marketable securities for impairment when events and circumstances indicate that the carrying amount of the investment may not be recovered. Impairment indicators may include, but are not limited to, a significant deterioration in earnings performance, credit rating, asset quality or business outlook or a significant adverse change in the regulatory, economic, or technological environment. If the non-marketable securities are considered impaired, the Company will record an impairment charge in the consolidated statement of operations for the amount by which the carrying value exceeds the fair value of the investment. For the year ended January 31, 2021, the Company did not record any impairment charges related to its non-marketable securities in its consolidated statements of operations.

During the year ended January 31, 2021, the Company invested an aggregate \$0.5 million in cash in non-marketable equity securities of two privately-held system integrators in an effort to accelerate such companies' development of expertise with respect to MongoDB's offerings. The Company evaluated its ownership, contractual and other interests in these entities and determined the Company has a variable interest in both entities. The Company's maximum loss exposure is limited to the carrying value of these investments. The Company determined that, as of January 31, 2021, there were no variable interest entities required to be consolidated in the Company's consolidated financial statements, as the Company was not the primary beneficiary and did not have the power to direct activities that most significantly impact the entities' economic performance.

#### *Fair Value of Financial Instruments*

The Company's financial instruments consist of cash and cash equivalents, short-term investments, accounts receivable, non-marketable securities, accounts payable and accrued liabilities. Cash equivalents are measured at fair value on a recurring basis. Short-term investments classified as available-for-sale debt securities are recorded at fair value. Non-marketable securities are measured at fair value when there have been observable price changes in orderly transactions for the identical or a similar investment of the same issuer or when there are identified events or changes in circumstances that may indicate impairment. Accounts receivable, accounts payable and accrued liabilities are stated at their carrying value, which approximates fair value due to the short time to the expected receipt or payment date.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, as described below, of which the first two are considered observable and the last unobservable, that may be used to measure fair value:

- Level 1: Observable inputs, such as quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.
- Level 2: Observable inputs, other than Level 1 prices, such as quoted prices in active markets for similar assets and liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

#### *Concentration of Credit Risk*

Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents, restricted cash, short-term investments and accounts receivable. The primary focus of the Company's investment strategy is to preserve capital and meet liquidity requirements. The Company maintains its cash accounts with financial institutions where, at times, deposits exceed insurance coverage limits. The Company invests its excess cash in highly-rated money market funds and in short-term investments consisting of U.S. government treasury securities.

The Company extends credit to customers in the normal course of business. The Company performs credit analyses and monitors the financial health of its customers to reduce credit risk. The Company does not require collateral from customers to secure accounts receivable. Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company records an allowance for doubtful accounts relating to certain trade accounts receivable based on various factors, including the review of credit profiles of its customers, contractual terms and conditions, current economic trends and historical customer payment experience.

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

As of January 31, 2021 and 2020, no customer represented 10% or more of net accounts receivable. For the years ended January 31, 2021, 2020 and 2019, no customer represented 10% of more of revenue.

*Capitalized Software Costs*

Software development costs for software to be sold, leased, or otherwise marketed are expensed as incurred until the establishment of technological feasibility, at which time those costs are capitalized until the product is available for general release to customers and amortized over the estimated life of the product. Technological feasibility is established upon the completion of a working prototype that has been certified as having no critical bugs and is a release candidate. To date, costs and time incurred between the establishment of technological feasibility and product release have not been material, resulting in software development costs qualifying for capitalization being immaterial. As a result, the Company has not capitalized any related software development costs in any of the periods presented.

Costs related to software acquired, developed, or modified solely to meet the Company's internal requirements, with no substantive plans to market such software at the time of development, costs related to the development of web-based product, or implementation costs incurred in a hosting arrangement that is a service contract are capitalized during the application development stage. Costs incurred during the preliminary planning and evaluation stage of the project and during post implementation operational stage are expensed as incurred. There were no material qualifying costs incurred during the application development stage and the Company did not capitalize any qualifying costs related to computer software developed for internal use, web-based product, or implementation costs incurred in a hosting arrangement that is a service contract in the years ended January 31, 2021 and 2020.

*Property and Equipment*

Property and equipment are recorded at cost and depreciated using the straight-line method over the following estimated useful lives:

<b>Property and Equipment</b>	<b>Estimated Useful Life</b>
Computer and office equipment	Two to three years
Purchased software	Two to three years
Servers	Three years
Furniture and fixtures	Five years
Leasehold improvements	Lesser of estimated useful life or remaining lease term

Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation, is removed from the accounts and any resulting gain or loss is reflected in the consolidated statements of operations. There was no material gain or loss incurred as a result of retirement or sale in the periods presented. Repair and maintenance costs are expensed as incurred.

*Business Combinations*

The Company uses its best estimates and assumptions to assign fair value to the tangible and intangible assets acquired and liabilities assumed as of the acquisition date. The excess of the fair value of purchase consideration over the fair values of these tangible and intangible assets acquired and liabilities assumed is recorded as goodwill. These estimates are inherently uncertain and subject to refinement. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill. In addition, uncertain tax positions and tax-related valuation allowances are initially established in connection with a business combination as of the acquisition date. Upon the conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the Company's consolidated statements of operations.

*Leases*

The consolidated financial statements for the years ended January 31, 2021 and 2020 reflect the adoption of Accounting Standards Codification 842, *Leases*, ("ASC 842") effective February 1, 2019, using the modified retrospective method. The consolidated financial statements for the years ended January 31, 2019 and prior were not adjusted.

The Company determines if an arrangement is, or contains, a lease at inception. An arrangement is or contains a lease if the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for

**MONGODDB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

consideration. To determine whether an arrangement is or contains a lease, the Company considers all relevant facts and circumstances to assess whether the customer has both of the following: (1) the right to obtain substantially all of the economic benefits from use of the identified asset; and (2) the right to direct the use of the identified asset.

The Company accounts for lease components and non-lease components as a single lease component for all leases. The Company has elected an accounting policy to not recognize right-of-use assets or lease liabilities for short-term leases, which have a lease term of twelve months or less, and instead recognize the associated lease payments for short-term leases in the consolidated statements of operations on a straight-line basis over the lease term.

The Company measures lease liabilities based on the present value of lease payments over the lease term at the lease commencement date. As the Company's leases generally do not provide an implicit discount rate, the net present value of future minimum lease payments is determined using the Company's incremental borrowing rate, which is the estimated rate the Company would have to pay on a collateralized basis with similar terms and payments and in a similar economic environment where the leased asset is located. Options in the lease terms to extend or terminate the lease are not reflected in the lease liabilities unless it is reasonably certain that any such options will be exercised.

The Company measures right-of-use assets at the lease commencement date based on the corresponding lease liabilities adjusted for (i) prepayments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) certain tenant incentives under the lease. The Company evaluates the recoverability of the right-of-use assets for possible impairment in accordance with the long-lived assets policy.

Lease expenses for minimum lease payments for operating leases are recognized on a straight-line basis over the lease term. Amortization expense of the right-of-use assets for finance leases is generally recognized on a straight-line basis over the shorter of the lease term or the useful life of the asset. Interest expense for finance leases is recognized based on the incremental borrowing rate used to determine the finance lease liability. Variable lease payments are expensed as incurred and are not included within the lease liability and right-of-use assets calculation.

Operating leases are reflected in operating lease right-of-use assets, operating lease liabilities and operating lease liabilities, non-current on the consolidated balance sheets. Finance leases are included in property and equipment, net, other accrued liabilities, and other liabilities, non-current on the consolidated balance sheets. Within the statements of cash flows, the Company classifies all cash payments associated with operating leases within operating activities and for finance leases, repayments of principal are presented within financing activities and interest payments are presented within operating activities.

*Long-Lived Assets, Including Goodwill and Other Acquired Intangible Assets*

The Company evaluates the recoverability of property and equipment and acquired finite-lived intangible assets for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If such review indicates that the carrying amount of property and equipment and intangible assets is not recoverable, the carrying amount of such assets is reduced to fair value. The Company has not recorded any material impairment charges related to property and equipment or acquired finite-lived intangible assets during the years presented, except as noted in Note 4, *Property and Equipment, Net*.

In addition to the recoverability assessment, the Company periodically reviews the remaining estimated useful lives of property and equipment and acquired finite-lived intangible assets. If the estimated useful life assumption for any asset is changed due to new information, the remaining unamortized balance would be depreciated or amortized over the revised estimated useful life, on a prospective basis.

The Company tests goodwill for impairment at least annually or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable. The Company first assesses the qualitative factors to determine whether it is more likely than not that the fair value of the Company's single operating segment is less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative goodwill impairment test. If the Company determines that it is more likely than not that its fair value is less than its carrying amount, then the quantitative goodwill impairment test will be performed. The quantitative goodwill impairment test identifies goodwill impairment and measures the amount of goodwill impairment loss to be recognized by comparing the fair value of the Company's single operating segment with its carrying amount. If the carrying amount exceeds its fair value, no further analysis is required; otherwise, any excess of the goodwill carrying amount over the implied fair value is recognized as an impairment loss and the carrying value of goodwill is written down to fair value. No indications of impairment of goodwill were identified during the

**MONGODDB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

years ended January 31, 2021, 2020 and 2019, and accordingly, the Company has not recorded any impairment of goodwill during those periods.

*Revenue Recognition*

The Company derives its revenue from two sources: (1) sales of subscriptions, including term license and post-contract customer support (“PCS”) and consumption-based database-as-a-service offering; and (2) services revenue comprised of consulting and training arrangements. The Company recognizes revenue when its customer obtains control of promised goods or services in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements, the Company performs the following steps:

- i. **Identification of the contract, or contracts, with a customer** - The Company contracts with its customers through order forms, which are governed by master sales agreements. The Company determines it has a contract with a customer when the contract is approved, each party’s rights regarding the products or services to be transferred is identified, the payment terms for the services can be identified, the Company has determined the customer has the ability and intent to pay and the contract has commercial substance. The Company applies judgment in determining the customer’s ability and intent to pay, which is based on a variety of factors, including the customer’s historical payment experience or, in the case of a new customer, credit, reputation and financial or other information pertaining to the customer. At contract inception, the Company evaluates whether two or more contracts should be combined and accounted for as a single contract and whether the combined or single contract includes more than one performance obligation. The Company has concluded that its contracts with customers do not contain warranties that give rise to a separate performance obligation.
- ii. **Identification of the performance obligations in the contract** - Performance obligations promised in a contract are identified based on the services or products that will be transferred to the customer that are both 1) capable of being distinct, whereby the customer can benefit from the service or product either on its own or together with other resources that are readily available from third parties or from the Company and 2) distinct in the context of the contract, whereby the transfer of the services or products is separately identifiable from other promises in the contract. To the extent a contract includes multiple promised services or products, the Company applies judgment to determine whether promised services or products are capable of being distinct and distinct in the context of the contract. If these criteria are not met, the promised services or products are accounted for as a combined performance obligation.
- iii. **Determination of the transaction price** - The transaction price is determined based on the consideration to which the Company expects to be entitled in exchange for transferring services and products to the customer. Variable consideration is included in the transaction price if, in the Company’s judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. None of the Company’s contracts contain a significant financing component.
- iv. **Allocation of the transaction price to the performance obligations in the contract** - If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. For contracts that contain multiple performance obligations, the Company allocates the transaction price to each performance obligation based on a relative standalone selling price (“SSP”) basis. The Company also considers if there are any additional material rights inherent in a contract and if so, the Company allocates a portion of the transaction price to such rights based on SSP. The Company determines each SSP based on multiple factors, including past history of selling such performance obligations as standalone products. The Company estimates SSP for performance obligations with no observable evidence using adjusted market, cost plus and residual methods to establish the SSPs. In cases where directly observable standalone sales are not available, the Company utilizes all observable data points including competitor pricing for a similar or identical product, market and industry data points and the Company’s pricing practices to establish the SSP.
- v. **Recognition of revenue when, or as, the Company satisfies a performance obligation** - The Company recognizes revenue at the time the related performance obligation is satisfied when control of the services or products are transferred to the customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services or products. The Company records its revenue net of any value added or sales tax.

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

### Subscription Revenue

The Company sells subscriptions directly through its field and inside sales teams and indirectly through channel partners, as well as through its self-serve channel. The majority of the Company's subscription contracts are one year in duration and are invoiced upfront. When the Company enters into multi-year subscription contracts, the Company typically invoices the customer on an annual basis. The Company's subscription contracts are generally non-cancelable and non-refundable.

The Company's subscription revenue includes time-based software licenses sold in conjunction with PCS. These subscription offerings are generally priced on a per server basis, subject to a per server RAM limit. Performance obligations related to subscription revenue for time-based software licenses include a license portion, which represents functional intellectual property under which a customer has the legal right to the license. The license provides significant standalone functionality and is therefore deemed a distinct performance obligation. License revenue is recognized at a point in time, upon delivery and transfer of control of the underlying license to the customer, which is typically the subscription start date.

Performance obligations related to PCS include unspecified updates, as well as support and maintenance. While separate performance obligations are identified within PCS, the underlying performance obligations generally have a consistent continuous pattern of transfer to a customer during the term of a contract. Revenue from PCS is recognized ratably over the contract duration.

The Company also derives subscription revenue from providing its software to customers with its database-as-a-service offering that include comprehensive infrastructure and management of the Company's database and can also be purchased with additional enterprise features. Performance obligations related to database-as-a-service solutions are recognized on a usage-basis, as the consumption of this service represents a direct measurement of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract.

### Services Revenue

The Company's services contracts are generally provisioned on a time-and-materials basis. Revenue is recognized on a proportional performance basis as the services are delivered to the customers.

### Contracts with Multiple Performance Obligations

Certain of the Company's contracts with customers contain multiple performance obligations, including those described above such as the license portion of time-based software licenses, PCS, database-as-a-service offering and services. For these contracts, the Company accounts for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative SSP basis.

### *Cost of Revenue*

#### Cost of Subscription Revenue

Cost of subscription revenue primarily includes personnel costs, including salaries, bonuses and benefits and stock-based compensation, for employees associated with the Company's subscription arrangements principally related to support and allocated shared costs, as well as depreciation and amortization. The cost of subscription revenue for the Company's database-as-a-service offering also includes third-party cloud infrastructure.

#### Cost of Services Revenue

Cost of services revenue primarily includes personnel costs, including salaries and benefits and stock-based compensation, for employees associated with the Company's professional service contracts, travel costs and allocated shared costs, as well as depreciation and amortization.

### *Deferred Commissions*

The Company capitalizes its incremental costs of obtaining non-cancelable subscription contracts with customers, which generally consist of sales commissions paid to the Company's sales force and related payroll taxes. These costs are recorded on the Company's consolidated balance sheets as deferred commissions. Amortization is recognized based on the expected future revenue streams under the customer contracts over a period of benefit that the Company has determined to be generally five years. The Company determined the period of benefit by taking into consideration its customer contracts, its

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

technology and other factors. For all other sales commissions and related payroll taxes for non-cancelable subscription contracts, the Company also capitalizes such costs, which are amortized based on the pattern of the associated revenue recognition over the related contractual subscription period. Sales commissions are generally paid up front and one month in arrears, however, the timing of payment is based on contractual terms of the underlying subscription contract and is subject to an evaluation of customer credit-worthiness. The deferred commission amounts are recoverable through the future revenue streams under the non-cancelable customer contracts. Amortization of deferred commissions is included in sales and marketing expense in the consolidated statements of operations. The Company adopted the practical expedient that permits an entity to expense the costs to obtain a contract as incurred when the expected amortization period is one year or less.

#### *Deferred Revenue*

Deferred revenue primarily consists of customer billings or payments received in advance of revenues being recognized from the Company's subscription and services contracts. The Company generally invoices its customers annually in advance for its subscription services. Typical payment terms provide that customers pay a portion of the total arrangement fee within 30 days of the contract date. Deferred revenue that is anticipated to be recognized during the succeeding twelve-month period is recorded as current deferred revenue and the remaining portion is recorded as non-current. The Company's contract liabilities are classified as deferred revenue upon the right to invoice or when payments have been received for undelivered products or services. Deferred revenue does not necessarily represent the total contract value of annual or multi-year, non-cancelable subscription agreements.

#### *Accounts Receivable and Allowance for Doubtful Accounts*

The Company records a receivable when an unconditional right to consideration exists, such that only the passage of time is required before payment of consideration is due. Timing of revenue recognition may differ from the timing of invoicing to customers. If revenue recognized on a contract exceeds the billings, then the Company records an unbilled receivable for that excess amount, which is included as part of accounts receivable, net in the Company's consolidated balance sheets.

The Company is exposed to credit losses primarily through the sales of subscriptions and services, which are recorded as accounts receivable, inclusive of unbilled receivables. The Company performs initial and ongoing evaluations of its customers' financial position and generally extends credit without collateral. Accounts receivable are recorded at amortized cost, net of an allowance for doubtful accounts, and do not bear interest.

The allowance for doubtful accounts represents the best estimate of lifetime expected credit losses against the existing accounts receivable, inclusive of unbilled receivables, based on certain factors including past collection experience, credit quality of the customer, current aging of the receivable balance, current economic conditions, reasonable and supportable forecasts, as well as specific circumstances arising with individual customers. Extensive judgment is required in assessing these factors. Due to the short-term nature of the Company's accounts receivable, forecasts have limited relevance to the Company's expected credit loss estimates. Accounts receivable are written off against the allowance when management determines a balance is uncollectible and the Company no longer actively pursues collection of the receivable. The Company's estimates of the allowance for credit losses may not be indicative of our actual credit losses requiring additional charges to be incurred to reflect the actual amount collected.

#### *Convertible Senior Notes*

In accounting for the issuance of the Company's convertible senior notes (the "Notes"), the Notes were separated into liability and equity components. The carrying amounts of the liability component was calculated by measuring the fair value of similar liabilities that do not have associated convertible features. The carrying amount of the equity component representing the conversion option was determined by deducting the fair value of the liability component from the par value of the respective Notes. This difference represents the debt discount that is amortized to interest expense over the respective terms of the Notes using the effective interest rate method. The equity component was recorded in additional paid-in capital and is not remeasured as long as it continues to meet the conditions for equity classification.

In accounting for the debt issuance costs related to the Notes, the Company allocated the total amount incurred to the liability and equity components of the Notes based on their relative values. Issuance costs attributable to the liability component are being amortized to interest expense over the contractual term of the Notes. The issuance costs attributable to the equity component were netted against the equity component representing the conversion option in additional paid-in capital.

**MONGODDB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Transactions involving contemporaneous exchanges of cash between the same debtor and creditor in connection with the issuance of a new debt obligation and satisfaction of an existing debt obligation by the debtor should be evaluated as a modification or an exchange transaction depending on whether the exchange is determined to have substantially different terms. For exchange transactions that are considered an extinguishment of debt, the total consideration for such an exchange is separated into liability and equity components by estimating the fair value of a similar liability without a conversion option and assigning the residual value to the equity component. The gain or loss on extinguishment of the debt is subsequently determined by comparing repurchase consideration allocated to the liability component to the sum of the carrying value of the liability component, net of the proportionate amounts of unamortized debt discount and remaining unamortized debt issuance costs.

The liability component of the Notes are classified as non-current until the reporting period date is within one year of maturity of the Notes or when the Company has received a redemption request, but settlement will occur after the reporting period date. Under such circumstances, the net carrying amount of the Notes is classified as a current liability and a portion of the equity component representing the conversion option is reclassified to temporary equity in the consolidated balance sheets. The portion of the equity component classified as temporary equity is measured as the difference between the principal and net carrying amount of the Notes, excluding debt issuance costs.

#### *Research and Development*

Research and development costs are expensed as incurred and consist primarily of personnel costs, including salaries, bonuses and benefits and stock-based compensation. Research and development costs also include amortization associated with acquired finite-lived intangible assets and allocated overhead.

#### *Advertising*

Advertising costs are expensed as incurred or the first time the advertising takes place, based on the nature of the advertising and include direct marketing, events, public relations, sales collateral materials and partner programs. Advertising costs were \$12.8 million, \$7.6 million and \$5.1 million for the years ended January 31, 2021, 2020 and 2019, respectively. Advertising costs are recorded in sales and marketing expenses in the consolidated statement of operations.

#### *Stock-Based Compensation*

Compensation expense related to stock-based awards granted to employees and non-employees is calculated based on the fair value of stock-based awards on the date of grant. For restricted stock units, fair value is based on the closing price of the Company's Class A common stock on the grant date. For stock options and purchase rights issued to employees under the 2017 Employee Stock Purchase Plan, the Company determines the grant date fair value using the Black-Scholes option-pricing model. The Company's stock price volatility and expected option life involve management's best estimates, both of which impact the fair value estimated under the Black-Scholes option-pricing model and, ultimately, the expense that will be recognized.

The Company recognizes the related stock-based compensation expense for restricted stock units and stock options on a straight-line basis over the period in which an employee is required to provide service in exchange for the stock-based award, which is generally four years. The Company has elected to account for forfeitures as they occur. The Company recognizes the stock-based compensation expense related to the 2017 Employee Stock Purchase Plan on a straight-line basis over the offering period.

#### *Net Loss Per Share*

The Company calculates basic net loss per share by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period, less shares subject to repurchase. Diluted net loss per share is computed by giving effect to all potentially dilutive securities outstanding for the period, including stock options, restricted stock units and convertible senior notes.

#### *Segment Information*

The Company operates its business as one operating segment as the Company's chief operating decision maker, the Company's Chief Executive Officer, reviews financial information on an aggregate and consolidated basis for purposes of allocating resources and evaluating financial performance. Since the Company has a single operating unit and reporting segment structure, all required segment information can be found in the consolidated financial statements.

**MONGODDB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*Income Taxes*

The Company follows the asset and liability method of accounting for income taxes. This method requires recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. Valuation allowances are established when necessary to reduce the deferred tax assets to the amount the Company believes is more likely than not to be realized.

The Company recognizes the tax benefit from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that is more likely than not of being realized upon ultimate settlement. The Company recognizes interest and penalties on amounts due to taxing authorities as a component of other income (expense), net.

*Related Party Transactions*

All contracts with related parties are executed in the ordinary course of business. There were no material related party transactions in the years ended January 31, 2021, 2020 and 2019. As of January 31, 2021 and 2020, there were no material amounts payable to or amounts receivable from related parties.

*Recently Adopted Accounting Pronouncements*

*Leases.* In February 2016, the Financial Accounting Standards Board issued ASU No. 2016-02, codified as ASC 842, which requires lessees to record a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term while recognizing expense in a manner similar to the previous guidance under ASC 840. ASC 842 retains the distinction between finance leases and operating leases and the classification criteria for finance leases remains similar.

The Company adopted the new lease accounting standard effective February 1, 2019 on a modified retrospective basis for leases that existed as of February 1, 2019 using the additional transition method described in ASU No. 2018-11, *Leases – Targeted Improvements*, which was issued in July 2018. Under the additional transition method, the Company recognized the cumulative effect of initially applying ASC 842 as an adjustment to the right-of-use assets and lease liabilities on its condensed consolidated balance sheet on February 1, 2019 without retrospective application to comparative periods. The Company elected the practical expedients which allow it to carry forward its assessment on whether an arrangement is a lease or contains a lease, the historical lease classification and the initial direct costs for any leases that expired or existed prior to the adoption of ASC 842. In addition, the Company elected the short-term lease exception and the practical expedient to account for lease components and non-lease components as a single lease component.

In connection with the adoption of ASC 842, the Company recognized operating lease right-of-use assets and operating lease liabilities on the consolidated balance sheet primarily related to the office facilities of \$10.3 million and \$11.3 million, respectively. The difference between the operating lease right-of-use assets and operating lease liabilities primarily represented the existing deferred rent liability balance as of the adoption date of \$1.0 million.

Prior to the adoption of ASC 842, as a result of the Company's involvement during the construction period, whereby the Company had certain indemnification obligations related to the construction, the Company was considered, for accounting purposes only, the owner of the construction project under build-to-suit lease accounting and accordingly, the Company accounted for the New York City office lease as a financing arrangement. As of January 31, 2019, \$55.7 million of the build-to-suit lease asset was included in "Property and equipment, net" and the related \$70.2 million financing lease obligation was included in "Other liabilities, non-current" on the consolidated balance sheets. Upon the adoption of ASC 842, this lease was classified as a finance lease, where the Company derecognized its build-to-suit asset and related liabilities, recognized finance right-of-use assets of \$43.4 million and finance lease liabilities of \$64.0 million, reduced the existing deferred rent liability balance as of the adoption date of \$1.9 million, and recorded \$4.1 million as a decrease to the opening accumulated deficit as of February 1, 2019.

*Goodwill Impairment.* In January 2017, the FASB issued ASU 2017-04—*Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The new standard simplifies the measurement of goodwill by eliminating step two of the two-step impairment test. Step two measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. The new guidance requires an entity to compare the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. Additionally, an entity should consider income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill

**MONGODDB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

impairment loss, if applicable. The new guidance, effective February 1, 2020, did not have an impact on the Company's consolidated financial statements.

*Cloud Computing.* In August 2018, the FASB issued ASU 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*, which aligns the accounting for implementation costs incurred in a hosting arrangement that is a service contract with the accounting for implementation costs incurred to develop or obtain internal-use software under ASC 350-40, in order to determine which costs to capitalize and recognize as an asset and which costs to expense. The Company adopted ASU 2018-15, effective February 1, 2020, prospectively for implementation costs incurred after the date of adoption. ASU 2018-15 did not have an impact on the Company's consolidated financial statements upon adoption.

*Credit Losses.* In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost, which includes the Company's accounts receivable, including unbilled receivables, as well as certain financial instruments. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. ASU 2016-13 eliminates the concept of other-than-temporary impairment and requires credit losses related to available-for-sale debt securities to be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities. Effective February 1, 2020, the Company adopted ASU 2016-13 using the modified retrospective transition approach, which required a cumulative effect adjustment to the balance sheet as of February 1, 2020.

As a result of the adoption, the Company recorded a cumulative effect adjustment to increase the accumulated deficit by \$0.2 million, which represented the accelerated recognition of credit losses under the expected credit loss model of calculating current expected credit losses compared to the previous incurred loss impairment model. Refer to the updated accounting policies in this Note 2, specifically under *Marketable Securities and Accounts Receivable and Allowance for Doubtful Accounts*, for further details from the impact of ASU 2016-13.

*New Accounting Pronouncements Not Yet Adopted*

*Debt.* In August 2020, the FASB issued ASU 2020-06—*Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. The new standard simplifies the accounting for convertible instruments by eliminating the conversion option separation model for convertible debt that can be settled in cash and by eliminating the measurement model for beneficial conversion features. Convertible instruments that continue to be subject to separation models are (1) those with conversion options that are required to be accounted for as bifurcated derivatives and (2) convertible debt instruments issued with substantial premiums for which the premiums are recorded as paid-in capital. Additionally, among other changes, the new guidance eliminates some of the conditions for equity classification for contracts in an entity's own equity, thereby making it easier for equity contracts to qualify for the derivative scope exception. The new standard also requires entities to use the if-converted method for all convertible instruments in the diluted earnings per share calculation and include the effect of share settlement for instruments that may be settled in cash or shares, except for certain liability-classified share-based payment awards. The Company plans to early adopt ASU 2020-06 as of February 1, 2021 using the modified retrospective transition method, which will result in a cumulative-effect adjustment to the opening balance of accumulated deficit on the date of adoption. Prior period financial statements will not be restated upon adoption.

Upon adoption of ASU 2020-06, the Company will no longer record the conversion feature of its convertible senior notes in equity. Instead, the Company will combine the previously separated equity component with the liability component, which together will be classified as debt, thereby eliminating the subsequent amortization of the debt discount as interest expense. Similarly, the portion of issuance costs previously allocated to equity will be reclassified to debt and amortized as interest expense. Accordingly, the Company expects to record a decrease to accumulated deficit of approximately \$52.6 million, a decrease to additional paid-in capital of \$309.4 million, a decrease to temporary equity of \$4.7 million and an increase to convertible senior notes, net of approximately \$261.5 million. There will be no deferred tax impact related to the adoption of ASU 2020-06 due to the full valuation allowance. Also upon adoption, the Company will no longer utilize the treasury stock method for earnings per share purposes. Instead, the Company will use the if-converted method when reporting the weighted-average number of potentially dilutive shares of common stock. Although the required use of the if-converted method will not impact the diluted net loss per share as long as the Company is in a net loss position, the Company will be required to include disclosure of all the underlying shares regardless of the average stock price for the reporting period.

**MONGODDB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*Income Taxes.* In December 2019, the FASB issued ASU 2019-12—*Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The amendments in ASU 2019-12 simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application and simplification of GAAP for other areas of Topic 740 by clarifying and amending existing guidance. ASU 2019-12 is effective for the Company beginning February 1, 2021, although early adoption of the amendments is permitted. The Company is currently evaluating the impact of ASU 2019-12 on its consolidated financial statements.

### 3. Fair Value Measurements

The following tables present information about the Company's financial assets and liabilities that have been measured at fair value on a recurring basis as of January 31, 2021 and 2020 and indicate the fair value hierarchy of the valuation inputs utilized to determine such fair value (in thousands):

	Fair Value Measurement at January 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>				
Cash and cash equivalents:				
Money market funds	\$ 330,109	\$ —	\$ —	\$ 330,109
Short-term investments:				
U.S. government treasury securities	528,045	—	—	528,045
Total financial assets	<u>\$ 858,154</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 858,154</u>
Fair Value Measurement at January 31, 2020				
	Level 1	Level 2	Level 3	Total
<b>Financial Assets:</b>				
Cash and cash equivalents:				
Money market funds	\$ 623,856	\$ —	\$ —	\$ 623,856
Short-term investments:				
U.S. government treasury securities	280,326	—	—	280,326
Total financial assets	<u>\$ 904,182</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 904,182</u>

The Company utilized the market approach and Level 1 valuation inputs to value its money market mutual funds and U.S. government treasury securities because published net asset values were readily available. The contractual maturity of all marketable securities was less than one year as of January 31, 2021 and 2020. As of January 31, 2021 and 2020, gross unrealized gains and losses for cash equivalents and short-term investments were not material. Accordingly, the Company concluded that an allowance for credit losses was unnecessary for short-term investments as of January 31, 2021. Gross realized gains and losses were immaterial for each of the years ended January 31, 2021 and 2020.

#### *Convertible Senior Notes*

In addition to its cash, cash equivalents and short-term investments, the Company measures the fair value of its outstanding convertible senior notes on a quarterly basis for disclosure purposes. The Company considers the fair value of its convertible senior notes at January 31, 2021 to be a Level 2 measurement due to limited trading activity of the convertible senior notes. Refer to Note 6, *Convertible Senior Notes*, to the consolidated financial statements for further details.

#### *Non-marketable Securities*

As of January 31, 2021, the total amount of non-marketable equity securities included in other assets on the Company's balance sheets was \$0.5 million. The Company did not have any such non-marketable securities in any prior periods. Refer to Note 2, *Summary of Significant Accounting Policies*, for further details. The Company classifies these assets as Level 3 within the fair value hierarchy only if an impairment or observable price changes in orderly transactions are recognized on these non-marketable equity securities during the period. The estimation of fair value for these investments is inherently complex due to the lack of readily available market data and inherent lack of liquidity and requires the Company's judgment and the use of significant unobservable inputs in an inactive market. In addition, the determination of whether an orderly transaction is for the identical or a similar investment requires significant management judgment, including understanding the differences in the rights and obligations of the investments, the extent to which those differences would

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

affect the fair values of those investments and the stage of operational development of the entities. For the three months and year ended January 31, 2021, there have been no adjustments to the carrying values of the Company's non-marketable securities.

#### 4. Property and Equipment, Net

Property and equipment, net consists of the following (in thousands):

	January 31, 2021	January 31, 2020
Servers	\$ 1,262	\$ 946
Furniture and fixtures	2,955	2,673
Computer and office equipment	363	229
Purchased software	985	985
Leasehold improvements	29,080	19,311
Construction in process	227	314
Finance lease right-of-use assets	35,437	39,411
Total property and equipment	70,309	63,869
Less: accumulated depreciation and amortization	(7,945)	(5,553)
Property and equipment, net	\$ 62,364	\$ 58,316

Depreciation and amortization expense related to property and equipment was \$5.5 million, \$2.7 million and \$2.9 million for the years ended January 31, 2021, 2020 and 2019, respectively. Depreciation and amortization expense excludes amortization with respect to the finance lease right-of-use asset, which is described further in Note 7, *Leases*.

Depreciation expense for the year ended January 31, 2021 included an impairment charge of \$2.1 million related to the Company's former office space in Dublin, Ireland. In December 2019, the Company signed an agreement to lease approximately 40,000 square feet of office space to accommodate its growing employee base in Dublin. The lease commenced on February 1, 2020 and as of January 31, 2021, the former Dublin office is no longer occupied by the Company. Due to the impact of the ongoing COVID-19 pandemic, the Company has been unable to assign nor secure a sub-tenant for the former Dublin office. Accordingly, the Company recognized an impairment charge as part of depreciation expense that represented the remaining carrying value of the right-of-use asset for this office location.

#### 5. Goodwill and Acquired Intangible Assets, Net

The following table summarizes the changes in the carrying amount of goodwill during the periods presented (in thousands):

	January 31, 2021	January 31, 2020
Balance, beginning of the year	\$ 55,830	\$ 41,878
Increase in goodwill related to business combinations	—	13,952
Balance, end of the year	\$ 55,830	\$ 55,830

The gross carrying amount and accumulated amortization of the Company's intangible assets are as follows (in thousands):

	January 31, 2021		
	Gross Carrying Value	Accumulated Amortization	Net Book Value
Developed technology	\$ 34,700	\$ (16,955)	\$ 17,745
Domain name	155	(155)	—
Customer relationships	15,200	(6,670)	8,530
Total	\$ 50,055	\$ (23,780)	\$ 26,275

**MONGODDB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

	January 31, 2020		
	Gross Carrying Value	Accumulated Amortization	Net Book Value
Developed technology	\$ 34,700	\$ (11,495)	\$ 23,205
Domain name	155	(151)	4
Customer relationships	15,200	(3,630)	11,570
Total	<u>\$ 50,055</u>	<u>\$ (15,276)</u>	<u>\$ 34,779</u>

Acquired intangible assets are amortized on a straight-line basis. As of January 31, 2021, the weighted-average remaining useful lives of identifiable, acquisition-related intangible assets was 3.3 years for developed technology and 2.8 years for customer relationships. Amortization expense of intangible assets was \$8.5 million, \$10.1 million and \$2.3 million for the years ended January 31, 2021, 2020 and 2019, respectively. Amortization expense for developed technology and the domain name was included as research and development expense in the Company's consolidated statements of operations. Amortization expense for customer relationships was included as sales and marketing expense in the Company's consolidated statements of operations.

As of January 31, 2021, future amortization expense related to the intangible assets is as follows (in thousands):

Years Ending January 31,	
2022	\$ 8,500
2023	8,500
2024	7,825
2025	1,450
2026	—
Total	<u>\$ 26,275</u>

## 6. Convertible Senior Notes

In June 2018, the Company issued \$250.0 million aggregate principal amount of 0.75% convertible senior notes due 2024 in a private placement and, in July 2018, the Company issued an additional \$50.0 million aggregate principal amount of convertible senior notes pursuant to the exercise in full of the initial purchasers' option to purchase additional convertible senior notes (collectively, the "2024 Notes"). The 2024 Notes are senior unsecured obligations of the Company and interest is payable semiannually in arrears on June 15 and December 15 of each year, beginning on December 15, 2018, at a rate of 0.75% per year. The 2024 Notes will mature on June 15, 2024, unless earlier converted, redeemed or repurchased. The total net proceeds from the offering, after deducting initial purchase discounts and debt issuance costs, were approximately \$291.1 million.

In January 2020, the Company issued \$1.0 billion aggregate principal amount of 0.25% convertible senior notes due 2026 in a private placement and, also in January 2020, the Company issued an additional \$150.0 million aggregate principal amount of convertible senior notes pursuant to the exercise in full of the initial purchasers' option to purchase additional convertible senior notes (collectively, the "2026 Notes"). The 2026 Notes are senior unsecured obligations of the Company and interest is payable semiannually in arrears on July 15 and January 15 of each year, beginning on July 15, 2020, at a rate of 0.25% per year. The 2026 Notes will mature on January 15, 2026, unless earlier converted, redeemed or repurchased. The total net proceeds from the offering, after deducting initial purchase discounts and estimated debt issuance costs, were approximately \$1.13 billion.

On January 14, 2020, in connection with the issuance of the 2026 Notes, the Company used a portion of the net proceeds to repurchase \$210.0 million aggregate principal amount of the 2024 Notes (the "2024 Notes Partial Repurchase") leaving \$90.0 million aggregate principal outstanding on the 2024 Notes immediately after the exchange. The 2024 Notes Partial Repurchase were not pursuant to a redemption notice and were individually privately negotiated transactions. The 2024 Notes Partial Repurchase and issuance of the 2026 Notes were deemed to have substantially different terms due to the significant difference between the value of the conversion option immediately prior to and after the exchange, and accordingly, the 2024 Notes Partial Repurchase was accounted for as a debt extinguishment. The Company used \$479.2 million of the net proceeds from the issuance of the 2026 Notes to complete the 2024 Notes Partial Repurchase, of which \$175.1 million and \$303.9 million were allocated to the liability and equity components of the 2024 Notes, respectively, and \$0.2 million was allocated to the proportional interest paid. The cash consideration allocated to the liability component was based on the fair value of the liability component utilizing an effective discount rate of 5.04%. This rate was based on the

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Company's estimated rate for a similar liability with the same maturity, but without the conversion option. To derive this effective discount rate, the Company observed the trading details of its 2024 Notes immediately prior to the repurchase date to determine the volatility of its 2024 Notes. The Company utilized the observed volatility to calculate the effective discount rate, which was adjusted to reflect the term of the remaining 2024 Notes. The cash consideration allocated to the equity component was calculated by deducting the fair value of the liability component from the aggregate cash consideration. The loss on extinguishment was subsequently determined by comparing the allocated cash consideration with the carrying value of the liability component, which includes the proportionate amounts of unamortized debt discount and the remaining unamortized debt issuance costs.

The net carrying amount of the liability component of the 2024 Notes immediately prior to the repurchase was as follows (in thousands):

	January 14, 2020	
	2024 Notes Total	2024 Notes Partial Repurchase
Principal	\$ 300,000	\$ 209,998
Unamortized debt discount	(65,366)	(45,756)
Unamortized debt issuance costs	(5,175)	(3,623)
Net carrying amount	<u>\$ 229,459</u>	<u>\$ 160,619</u>

The 2024 Notes Partial Repurchase resulted in a loss of early extinguishment of debt calculated as follows (in thousands):

	January 14, 2020	
Cash consideration allocated to the liability component	\$	175,141
Less: Net carrying amount of the liability component associated with the 2024 Notes Partial Repurchase		(160,619)
Loss from 2024 Notes Partial Repurchase	<u>\$</u>	<u>14,522</u>

In connection with the 2024 Notes Partial Repurchase, the cash consideration allocated to the equity component of \$303.9 million was recorded as a reduction to additional paid-in capital on the Company's consolidated balance sheet as of January 31, 2020.

*Terms of the 2024 Notes*

For the 2024 Notes, the initial conversion rate is 14.6738 shares of the Company's Class A common stock per \$1,000 principal amount of the 2024 Notes, which is equal to an initial conversion price of approximately \$68.15 per share of Class A common stock, subject to adjustment upon the occurrence of specified events.

The 2024 Notes will be convertible at the option of the holders at any time prior to the close of business on the business day immediately preceding March 15, 2024, only under the following circumstances:

- (1) during any fiscal quarter commencing after the fiscal quarter ending on October 31, 2018 (and only during such fiscal quarter), if the last reported sale price of the Company's Class A common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on and including, the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price of the 2024 Notes on each applicable trading day;
- (2) during the five-business day period after any five consecutive trading day period (the "measurement period") in which the trading price per \$1,000 principal amount of the 2024 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's Class A common stock and the conversion rate of the 2024 Notes on each such trading day;
- (3) if the Company calls any or all of the 2024 Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; or
- (4) upon the occurrence of specified corporate events (as set forth in the indenture governing the 2024 Notes).

**MONGODDB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

On or after March 15, 2024, until the close of business on the scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their 2024 Notes, in multiples of \$1,000 principal amount, at the option of the holder, regardless of the foregoing circumstances. Upon conversion, the Company will satisfy its conversion obligation by paying or delivering, as the case may be, cash, shares of the Company's Class A common stock or a combination of cash and shares of the Company's Class A common stock, at the Company's election. If a fundamental change (as defined in the indenture governing the 2024 Notes) occurs prior to the maturity date, holders of the 2024 Notes will have the right to require the Company to repurchase for cash all or any portion of their 2024 Notes at a repurchase price equal to 100% of the principal amount of the 2024 Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date. In addition, if specific corporate events occur prior to the applicable maturity date, or if the Company elects to redeem the 2024 Notes, the Company will increase the conversion rate for a holder who elects to convert their notes in connection with such a corporate event or redemption in certain circumstances. It is the Company's current intent to settle the principal amount of the 2024 Notes in cash.

During the three months ended January 31, 2021, the conditional conversion feature of the 2024 Notes was triggered as the last reported sale price of the Company's Class A common stock was more than or equal to 130% of the conversion price for at least 20 trading days in the period of 30 consecutive trading days ending on January 31, 2021 (the last trading day of the fiscal quarter) and therefore the 2024 Notes are currently convertible, in whole or in part, at the option of the holders between February 1, 2021 through April 30, 2021. Whether the 2024 Notes will be convertible following such period will depend on the continued satisfaction of this condition or another conversion condition in the future. During the three months ended January 31, 2021, holders elected to convert \$27.6 million of their 2024 Notes, which conversions are expected to be settled in March 2021. Accordingly, the Company has reclassified the \$22.9 million, which represents the carrying value of the liability component of this portion of 2024 Notes, to Other accrued liabilities on the Company's consolidated balance sheet. The difference between the principal and carrying amounts was reclassified from Additional paid-in capital to Temporary equity on the Company's consolidated sheet as of January 31, 2021.

The Company may not redeem the 2024 Notes prior to June 20, 2021. On or after June 20, 2021, the Company may redeem for cash all or any portion of the 2024 Notes, at its option, if the last reported sale price of its Class A common stock was at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on and including, the trading day immediately preceding the date on which the Company provides a notice of redemption at a redemption price equal to 100% of the principal amount of the 2024 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

*Terms of the 2026 Notes*

For the 2026 Notes, the initial conversion rate is 4.7349 shares of the Company's Class A common stock per \$1,000 principal amount of the 2024 Notes, which is equal to an initial conversion price of approximately \$211.20 per share of Class A common stock, subject to adjustment upon the occurrence of specified events.

The 2026 Notes will be convertible at the option of the holders at any time prior to the close of business on the business day immediately preceding October 15, 2025, only under the following circumstances:

- (1) during any fiscal quarter commencing after the fiscal quarter ending on April 30, 2020 (and only during such fiscal quarter), if the last reported sale price of the Company's Class A common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on and including, the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price of the 2026 Notes on each applicable trading day;
- (2) during the five-business day period after any five consecutive trading day period (the "measurement period") in which the trading price per \$1,000 principal amount of the 2026 Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's Class A common stock and the conversion rate of the 2026 Notes on each such trading day;
- (3) if the Company calls any or all of the 2026 Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; or
- (4) upon the occurrence of specified corporate events (as set forth in the indenture governing the 2026 Notes).

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

On or after October 15, 2025, until the close of business on the scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their 2026 Notes, in multiples of \$1,000 principal amount, at the option of the holder, regardless of the foregoing circumstances. Upon conversion, the Company will satisfy its conversion obligation by paying or delivering, as the case may be, cash, shares of the Company's Class A common stock or a combination of cash and shares of the Company's Class A common stock, at the Company's election. If a fundamental change (as defined in the indenture governing the 2026 Notes) occurs prior to the maturity date, holders of the 2026 Notes will have the right to require the Company to repurchase for cash all or any portion of their 2026 Notes at a repurchase price equal to 100% of the principal amount of the 2026 Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date. In addition, if specific corporate events occur prior to the applicable maturity date, or if the Company elects to redeem the 2026 Notes, the Company will increase the conversion rate for a holder who elects to convert their notes in connection with such a corporate event or redemption in certain circumstances. It is the Company's current intent to settle the principal amount of the 2026 Notes in cash.

During the three months ended January 31, 2021, the conditional conversion feature of the 2026 Notes was triggered as the last reported sale price of the Company's Class A common stock was more than or equal to 130% of the conversion price for at least 20 trading days in the period of 30 consecutive trading days ending on January 29, 2021 (the last trading day of the fiscal quarter) and therefore the 2026 Notes are currently convertible, in whole or in part, at the option of the holders from February 1, 2021 through April 30, 2021. Whether the 2026 Notes will be convertible following such period will depend on the continued satisfaction of this condition or another conversion condition in the future. Since the Company has the election of repaying the 2026 Notes in cash, shares of the Company's Class A common stock, or a combination of both, the Company continued to classify the liability component of the 2026 Notes as long-term debt on the Company's consolidated balance sheet as of January 31, 2021.

The Company may not redeem the 2026 Notes prior to January 20, 2023. On or after January 20, 2023, the Company may redeem for cash all or any portion of the 2026 Notes, at its option, if the last reported sale price of its Class A common stock was at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on and including, the trading day immediately preceding the date on which the Company provides a notice of redemption at a redemption price equal to 100% of the principal amount of the 2026 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

*Accounting for the 2024 Notes and 2026 Notes*

The 2024 Notes and 2026 Notes were separated into liability and equity components for accounting purposes. The carrying amounts of the liability component were initially calculated by measuring the fair value of similar liabilities that do not have associated convertible features. The carrying amounts of the equity component representing the conversion option were determined by deducting the fair value of the liability component from the par value of the respective convertible senior notes. This difference represents the debt discount that is amortized to interest expense over the respective terms of the 2024 Notes and 2026 Notes using the effective interest rate method. The carrying amounts of the equity component representing the conversion option was determined to be \$84.2 million and \$294.9 million for the 2024 Notes and 2026 Notes, respectively. The equity component was recorded in additional paid-in capital and is not remeasured as long as it continues to meet the conditions for equity classification.

In accounting for the debt issuance costs of \$8.8 million and \$20.3 million related to the 2024 Notes and 2026 Notes, respectively, the Company allocated each of the total amounts incurred to the liability and equity components of the 2024 Notes and 2026 Notes based on their relative values. Issuance costs attributable to the liability component of the 2024 Notes were \$6.3 million upon issuance and were amortized, along with the debt discount, to interest expense over the contractual term of the 2024 Notes at an effective interest rate of 7.03%. Issuance costs attributable to the liability component of the 2026 Notes were \$15.1 million upon issuance and will be amortized, along with the debt discount, to interest expense over the contractual term of the 2026 Notes at an effective interest rate of 5.60%. Issuance costs attributable to the equity component were \$2.5 million and \$5.2 million for the 2024 Notes and 2026 Notes, respectively, and are netted against the equity component representing the conversion option in additional paid-in capital. The net carrying amount of the equity component of the 2024 Notes recorded in additional paid-in capital was \$81.7 million. For the 2026 Notes, the net carrying amount of the equity component was \$289.0 million, which, in addition to the allocated issuance costs, also included a net deferred tax impact of \$0.7 million. There was no deferred tax impact related to the 2024 Notes due to the full valuation allowance at the time of issuance for the 2024 Notes.

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

The net carrying amounts of the liability component of the 2024 Notes and 2026 Notes were as follows (in thousands):

	January 31, 2021		January 31, 2020	
	2024 Notes	2026 Notes	2024 Notes *	2026 Notes
Principal	\$ 90,000	\$ 1,150,000	\$ 90,002	\$ 1,150,000
Unamortized debt discount	(15,459)	(249,907)	(19,435)	(292,932)
Unamortized debt issuance costs	(1,265)	(13,174)	(1,541)	(15,019)
Net carrying amount	<u>\$ 73,276</u>	<u>\$ 886,919</u>	<u>\$ 69,026</u>	<u>\$ 842,049</u>

\*Reflects the impact of the 2024 Notes Partial Repurchase on January 14, 2020.

As of January 31, 2021, the total estimated fair values (Level 2) of the outstanding 2024 Notes and the 2026 Notes were approximately \$488.0 million and \$2.1 billion, respectively. The fair values were determined based on the closing trading price per \$100 of the 2024 Notes and 2026 Notes as of the last day of trading for the period. The fair values of the 2024 Notes and 2026 Notes are primarily affected by the trading price of the Company's common stock and market interest rates.

The following table sets forth the interest expense related to the 2024 Notes and 2026 Notes (in thousands):

	Year Ended January 31, 2021		Year Ended January 31, 2020	
	2024 Notes	2026 Notes	2024 Notes	2026 Notes
Contractual interest expense	\$ 675	\$ 2,875	\$ 2,178	\$ 136
Amortization of debt discount	3,976	43,026	12,021	1,977
Amortization of issuance costs	276	1,851	767	82
Total	<u>\$ 4,927</u>	<u>\$ 47,752</u>	<u>\$ 14,966</u>	<u>\$ 2,195</u>

#### *Capped Calls*

In connection with the pricing of the 2024 Notes and 2026 Notes, the Company entered into privately negotiated capped call transactions with certain counterparties (the "Capped Calls"). The Capped Calls associated with the 2024 Notes each have an initial strike price of approximately \$68.15 per share, subject to certain adjustments, which corresponds to the initial conversion price of the 2024 Notes. These Capped Calls have initial cap prices of \$106.90 per share, subject to certain adjustments.

The Capped Calls associated with the 2026 Notes each have an initial strike price of approximately \$211.20 per share, subject to certain adjustments, which corresponds to the initial conversion price of the 2026 Notes. These Capped Calls have initial cap prices of \$296.42 per share, subject to certain adjustments.

The Capped Calls are expected to partially offset the potential dilution to the Company's Class A common stock upon any conversion of the 2024 Notes or 2026 Notes, with such offset subject to a cap based on the cap price. The Capped Calls associated with the 2024 Notes and 2026 Notes cover, subject to anti-dilution adjustments, approximately 4.4 million shares and 5.4 million shares of the Company's Class A common stock, respectively. The Capped Calls are subject to adjustment upon the occurrence of specified extraordinary events affecting the Company, including merger events, tender offers and the announcement of such events. In addition, the Capped Calls are subject to certain specified additional disruption events that may give rise to a termination of the Capped Calls, including nationalization, insolvency or delisting, changes in law, failures to deliver, insolvency filings and hedging disruptions. For accounting purposes, the Capped Calls are separate transactions and not part of the terms of the 2024 Notes and 2026 Notes. As these transactions meet certain accounting criteria, the Capped Calls are recorded in stockholders' equity (deficit) and are not accounted for as derivatives. The cost of \$37.1 million and \$93.8 million incurred to purchase the Capped Calls associated with the 2024 Notes and 2026 Notes, respectively, was recorded as a reduction to additional paid-in capital and will not be remeasured. The Company did not unwind any of its Capped Calls in connection with the 2024 Notes Partial Repurchase.

## **7. Leases**

### *Finance Lease*

In December 2017, the Company entered into a lease agreement for 106,230 rentable square feet of office space (the "Premises") to accommodate its growing employee base in New York City. The Company received delivery of the Premises

**MONGODDB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

on January 1, 2018 to commence construction to renovate the Premises. Total estimated aggregate base rent payments over the initial 12-year term of the lease are \$87.3 million and payments began in July 2019. The Company has the option to extend the term of the lease by an additional 5 years.

*Operating Leases*

The Company has entered into non-cancelable operating leases, primarily related to rental of office space expiring through 2032. The Company recognizes operating lease costs on a straight-line basis over the term of the agreement, taking into account adjustments for market provisions such as free or escalating base monthly rental payments or deferred payment terms such as rent holidays that defer the commencement date of the required payments. The Company may receive renewal or expansion options, leasehold improvement allowances or other incentives on certain lease agreements.

In January 2017, the Company entered into an irrevocable, standby letter of credit with Silicon Valley Bank for \$0.4 million, expiring April 2023, to serve as a security deposit for the Company's lease in Texas. In October 2017, the Company entered into an irrevocable, standby letter of credit with Silicon Valley Bank for \$0.2 million, which subsequently increased in March 2020 to \$0.5 million, expiring March 2026, to serve as a security deposit for the Company's lease in Australia. In October 2019, the Company entered into an irrevocable, standby letter of credit with Silicon Valley Bank for \$0.3 million, expiring October 2025, to serve as a security deposit for the Company's additional office space in New York City, as described further below.

The Company signed an agreement in December 2019 to lease approximately 40,000 square feet of office space in Dublin, Ireland for a term of 12 years with two five-year renewal options. The lease commencement date was February 1, 2020. This agreement was determined to be an operating lease with total estimated aggregate base rent payments, excluding the renewal options, of approximately \$27.0 million, based on the exchange rates as of February 1, 2020.

The Company also signed an agreement in October 2019 to lease an additional 21,000 square feet of office space in New York City for a term of 64 months with no renewal period. The total aggregate base rent payments for this operating lease are \$8.4 million with payments beginning 4 months subsequent to the lease commencement date, which was July 1, 2020.

*Lease Costs*

The components of the Company's lease costs included in its consolidated statement of operations were as follows (in thousands):

	Years Ended January 31,	
	2021	2020
Finance lease cost:		
Amortization of finance lease right-of-use assets	\$ 3,975	\$ 3,976
Interest on finance lease liabilities	3,440	3,639
Operating lease cost	8,293	4,712
Short-term lease cost	2,339	2,229
Total lease cost	<u>\$ 18,047</u>	<u>\$ 14,556</u>

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*Balance Sheet Components*

The balances of the Company's finance and operating leases were recorded on the consolidated balance sheet as follows (in thousands):

	Years Ended January 31,	
	2021	2020
<b>Finance Lease:</b>		
Property and equipment, net	\$ 35,437	\$ 39,411
Other accrued liabilities (current)	4,900	4,633
Other liabilities, non-current	54,356	59,257
<b>Operating Leases:</b>		
Operating lease right-of-use assets	\$ 34,587	\$ 11,147
Operating lease liabilities (current)	2,343	3,750
Operating lease liabilities, non-current	39,095	8,113

*Supplemental Information*

The following table presents supplemental information related to the Company's finance and operating leases (in thousands, except weighted-average information):

	Years Ended January 31,	
	2021	2020
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating cash flows from finance lease	\$ 3,440	\$ 1,817
Operating cash flows from operating leases	5,895	4,450
Financing cash flows from finance lease	4,633	1,915
<b>Right-of-use assets obtained in exchange for lease obligations:</b>		
Operating leases	30,805	3,930
<b>Weighted-average remaining lease term (in years):</b>		
Finance lease	8.9	9.9
Operating leases	7.9	4.2
<b>Weighted-average discount rate:</b>		
Finance lease	5.6 %	5.6 %
Operating leases	4.5 %	6.2 %

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*Maturities of Lease Liabilities*

Future minimum lease payments under non-cancelable finance and operating leases on an annual undiscounted cash flow basis as of January 31, 2021 were as follows (in thousands):

Year Ending January 31,	Finance Lease	Operating Leases
2022	\$ 8,073	\$ 7,988
2023	8,073	7,936
2024	8,073	7,000
2025	8,445	5,892
2026	8,711	4,342
Thereafter	34,118	16,432
Total minimum payments	75,493	49,590
Less imputed interest	(16,237)	(8,152)
Present value of future minimum lease payments	59,256	41,438
Less current obligations under leases	(4,900)	(2,343)
Non-current lease obligations	\$ 54,356	\$ 39,095

Excluded in the lease obligation table above is a new agreement to lease approximately 16,000 square feet of office space in Palo Alto, which will be recognized as an operating lease upon the lease commencement date. The lease term is eight years with one option to extend for an additional five years. The total estimated aggregate base rent payments are \$14.2 million with payments beginning four months subsequent to the commencement date. The lease commencement date is uncertain given the impacts of the ongoing COVID-19 pandemic and associated construction and occupancy restrictions.

**8. Commitments and Contingencies**

The following table includes certain non-cancelable agreements primarily for subscription, marketing services and cloud infrastructure capacity commitments entered into by the Company (in thousands):

Year Ending January 31,	Other Obligations
2022	\$ 112,097
2023	80,421
2024	95,084
2025	49,201
2026	35,177
Thereafter	—
Total minimum payments	\$ 371,980

Refer to Note 7, *Leases*, for further details on obligations under non-cancelable finance and operating leases, including future minimum lease payments.

*Non-cancelable Material Commitments*

In December 2020, the Company expanded its enterprise partnership arrangement with a cloud infrastructure provider that includes a non-cancelable commitment of \$160.0 million over the next three years, which commenced during January 2021. Other than this increase in cloud infrastructure capacity commitments and certain non-cancelable operating leases described in Note 7, *Leases*, during the year ended January 31, 2021, there have been no material changes outside the ordinary course of business to the Company's contractual obligations and commitments from those disclosed in the 2020 Form 10-K.

*Legal Matters*

From time to time, the Company has become involved in claims, litigation and other legal matters arising in the ordinary course of business including intellectual property claims, labor and employment claims and breach of contract

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

claims. For example, on March 12, 2019, Realtime Data (“Realtime”) filed a lawsuit against the Company in the United States District Court for the District of Delaware alleging that the Company is infringing three U.S. patents that it holds: U.S. Patent No. 9,116,908, U.S. Patent No. 9,667,751 and U.S. Patent No. 8,933,825. The patent infringement allegations in the lawsuit relate to data compression, decompression, storage and retrieval. Realtime seeks monetary damages and injunctive relief. In August 2019, the District Court approved the Company and Realtime’s stipulation to stay Realtime’s lawsuit against the Company pending the outcome of Realtime’s appeal of the District Court’s decision to invalidate two of the asserted patents in a separate action. On October 23, 2020, the Federal Circuit issued its opinion on the appeal and remanded that action back to the District Court for further proceedings. The stay on proceedings in Realtime’s lawsuit against the Company remains in place at this time.

The Company investigates all claims, litigation and other legal matters as they arise. Although claims and litigation 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, financial position, results of operations or cash flows.

The Company accrues estimates for resolution of legal and other contingencies when losses are probable and estimable. Although the results of claims and litigation are inherently unpredictable, the Company believes that there was less than a reasonable possibility that the Company had incurred a material loss with respect to such loss contingencies, as of January 31, 2021 and 2020, therefore, the Company has not recorded an accrual for such contingencies.

#### *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 terms of these indemnification agreements are generally perpetual. 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.

The Company has entered into indemnification agreements with each of its directors and executive officers. These agreements require the Company to indemnify such individuals, to the fullest extent permitted by Delaware law, for certain liabilities to which they may become subject as a result of their affiliation with the Company.

### **9. Stockholders’ Equity (Deficit)**

#### *Class A and Class B Common Stock*

On June 11, 2020, all outstanding shares of the Company’s Class B common stock, par value \$0.001 per share, automatically converted into the same number of shares of Class A common stock, par value \$0.001 per share, pursuant to the terms of the Company’s Amended and Restated Certificate of Incorporation. No additional shares of Class B common stock will be issued following such conversion. The conversion occurred pursuant to Article V, Section 5(a) of the Amended and Restated Certificate of Incorporation, which provided that each share of Class B common stock would convert automatically into one fully paid and nonassessable share of Class A common stock at 5:00 p.m. in New York City, New York on the first trading day falling on or after the date on which the outstanding shares of Class B common stock represented less than 10% of the aggregate number of shares of the then outstanding Class A common stock and Class B common stock. The Company filed a certificate with the Secretary of State of the State of Delaware effecting the retirement and cancellation of our Class B common stock. This certificate of retirement had the additional effect of eliminating the authorized Class B common stock, thereby reducing the total number of our authorized shares of common stock by 100,000,000.

Prior to June 11, 2020, the Company had two classes of common stock, Class A and Class B. The rights of the holders of Class A and Class B common stock were identical, except with respect to voting. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock was entitled to 10 votes per share. Shares of Class B common stock may have been converted to Class A common stock at any time at the option of the stockholder. Shares of Class B common stock automatically converted to Class A common stock upon the following: (1) sale or transfer of such share of Class B common stock, subject to specified permitted transfers; (2) the death of the Class B common stockholder (or

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

nine months after the date of death if the stockholder is one of the founders); and (3) on the final conversion date, defined as the earlier of (a) the first trading day on or after the date on which the outstanding shares of Class B common stock represent less than 10% of the then-outstanding Class A and Class B common stock; or (b) the date specified by vote of the Board of Directors and the holders of a majority of the outstanding shares of Class B common stock, voting together as a single class on an as-converted basis. Class A and Class B common stock were referred to as common stock throughout the notes to the consolidated financial statements, unless otherwise noted.

As of January 31, 2021, the Company had authorized 1,000,000,000 shares of Class A common stock, each par value \$0.001 per share, of which 60,997,822 shares of Class A common stock were issued and 60,898,451 were outstanding.

## 10. Revenue

### *Disaggregation of Revenue*

Based on the information provided to and reviewed by the Company's Chief Executive Officer, the Company believes that the nature, amount, timing and uncertainty of its revenue and cash flows and how they are affected by economic factors is most appropriately depicted through the Company's primary geographical markets and subscription product categories. The Company's primary geographical markets are North and South America ("Americas"); Europe, Middle East and Africa ("EMEA"); and Asia Pacific. The Company also disaggregates its subscription products between its MongoDB Atlas-related offerings and other subscription products, which includes MongoDB Enterprise Advanced.

The following table presents the Company's revenues disaggregated by primary geographical markets, subscription product categories and services (in thousands):

	Years Ended January 31,		
	2021	2020	2019
<b>Primary geographical markets:</b>			
Americas	\$ 361,351	\$ 272,358	\$ 172,688
EMEA	177,448	118,660	79,757
Asia Pacific	51,581	30,702	14,571
<b>Total</b>	<b>\$ 590,380</b>	<b>\$ 421,720</b>	<b>\$ 267,016</b>
<b>Subscription product categories and services:</b>			
MongoDB Atlas-related	\$ 270,805	\$ 162,510	\$ 60,241
Other subscription	294,544	237,316	188,150
Services	25,031	21,894	18,625
<b>Total</b>	<b>\$ 590,380</b>	<b>\$ 421,720</b>	<b>\$ 267,016</b>

Customers located in the United States accounted for 56%, 59% and 61% of total revenue for the years ended January 31, 2021, 2020 and 2019, respectively. Customers located in the United Kingdom accounted for 10% of total revenue for the years ended January 31, 2021, 2020 and 2019. No other country accounted for 10% or more of revenue for the periods presented.

As of January 31, 2021 and 2020, substantially all of the Company's long-lived assets were located in the United States.

### *Contract Liabilities*

The Company's contract liabilities are recorded as deferred revenue in the Company's consolidated balance sheet and consists of customer invoices issued or payments received in advance of revenues being recognized from the Company's subscription and services contracts. Deferred revenue, including current and non-current balances as of January 31, 2021, 2020 and 2019 was \$238.0 million, \$190.8 million and \$137.7 million, respectively. Approximately 28% and 29% of the total revenue recognized in the years ended January 31, 2021 and 2020 was from deferred revenue at the beginning of each respective period.

**MONGODDB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*Remaining Performance Obligations*

Remaining performance obligations represent the aggregate amount of the transaction price in contracts allocated to performance obligations not delivered, or partially undelivered, as of the end of the reporting period. Remaining performance obligations include unearned revenue, multi-year contracts with future installment payments and certain unfulfilled orders against accepted customer contracts at the end of any given period. As of January 31, 2021, the aggregate transaction price allocated to remaining performance obligations was \$243.7 million. Approximately 55% is expected to be recognized as revenue over the next 12 months and the remainder thereafter. The Company applies the practical expedient to omit disclosure with respect to the amount of the transaction price allocated to remaining performance obligations if the related contract has a total duration of 12 months or less.

*Unbilled Receivables*

Revenue recognized in excess of invoiced amounts creates an unbilled receivable, which represents the Company's unconditional right to consideration in exchange for goods or services that the Company has transferred to the customer. Unbilled receivables were recorded as part of accounts receivable, net in the Company's consolidated balance sheets. As of January 31, 2021, 2020 and 2019, unbilled receivables were \$5.7 million, \$6.7 million and \$8.0 million, respectively.

*Allowance for Doubtful Accounts*

The adoption of ASU 2016-13 on February 1, 2020 required the Company to shift from an incurred loss impairment model to an expected credit loss model. Accordingly, the Company is required to consider expectations of forward-looking losses, in addition to historical loss rates, to estimate its allowance for doubtful accounts on its account receivables. The following is a summary of the changes in the Company's allowance for doubtful accounts (in thousands):

	<b>Allowance for Doubtful Accounts</b>	
Balance at January 31, 2020	\$	2,515
Adoption of new accounting standard		50
Provision		5,131
Recoveries/write-offs		(1,672)
Balance at January 31, 2021	\$	6,024

The Company is closely monitoring the potential impact from the ongoing COVID-19 pandemic and associated global economic uncertainty on its business. A higher allowance was recorded during the year ended January 31, 2021 due to the potential adverse impact the ongoing COVID-19 pandemic may have on factors that affect the Company's estimate of current expected credit losses, including possible financial difficulties faced by a portion of the Company's customers.

*Costs Capitalized to Obtain Contracts with Customers*

Deferred commissions were \$118.6 million and \$77.0 million as of January 31, 2021 and 2020, respectively. Amortization expense with respect to deferred commissions was \$28.6 million, \$19.4 million and \$14.1 million for years ended January 31, 2021, 2020 and 2019, respectively. There was no impairment loss in relation to the costs capitalized for the periods presented.

**11. Equity Incentive Plans and Employee Stock Purchase Plan**

*2008 Stock Incentive Plan and 2016 Equity Incentive Plan*

The Company adopted the 2008 Stock Incentive Plan (as amended, the "2008 Plan") and the 2016 Equity Incentive Plan (as amended, the "2016 Plan"), primarily for the purpose of granting stock-based awards to employees, directors and consultants, including stock options, restricted stock units ("RSUs") and other stock-based awards. With the establishment of the 2016 Plan in December 2016, all shares available for grant under the 2008 Plan were transferred to the 2016 Plan. The Company no longer grants any stock-based awards under the 2008 Plan and any shares underlying stock options canceled under the 2008 Plan will be automatically transferred to the 2016 Plan. Stock options granted under the stock option plans may be either incentive stock options ("ISOs") or nonstatutory stock options ("NSOs"). ISOs may be granted to employees and NSOs may be granted to employees, directors, or consultants. As of January 31, 2021, the Company had made one ISO grant, all other stock options outstanding were granted as NSOs. The exercise prices of the stock option grants must be not less than 100% of the fair value of the common stock on the grant date as determined by the Board of Directors. If, at the date

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

of grant, the optionee owns more than 10% of the total combined voting power of all classes of outstanding stock (a “10% stockholder”), the exercise price must be at least 110% of the fair value of the common stock on the date of grant as determined by the Board of Directors. Options granted are exercisable over a maximum term of 10 years from the date of grant or five years from the date of grant for ISOs granted to any 10% stockholder. The Board of Directors or a committee thereof determines the vesting schedule for all equity awards. Stock option awards generally vest over a period of four years with 25% vesting on the one year anniversary of the award and the remainder vesting monthly over the next 36 months of the grantee’s service to the Company. RSU awards granted to new employees generally vest over a period of four years with 25% vesting on the one year anniversary of the award and the remainder vesting quarterly over the next 12 quarters, subject to the grantee’s continued service to the Company. RSUs granted to existing employees generally vest quarterly over a period of four years, subject to the grantee’s continued service to the Company.

Pursuant to the terms of the 2016 Plan, the shares of the Company’s Class A common stock reserved for issuance was increased by 2.9 million shares in April 2020. As of January 31, 2021, the Company has approximately 8.7 million shares of Class A common stock available for future grants.

*Stock Options*

The following table summarizes stock option award activity for the 2008 and 2016 Plans (in thousands, except share and per share data and years):

	Options Outstanding			
	Shares	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Balance - January 31, 2019	8,621,010	\$ 7.75	6.7	\$ 729,392
Options exercised	(2,163,361)	7.76		
Options forfeited and expired	(278,650)	11.28		
Balance - January 31, 2020	6,178,999	7.60	5.7	965,860
Options exercised	(2,218,661)	7.70		
Options forfeited and expired	(78,793)	9.30		
Balance - January 31, 2021	<u>3,881,545</u>	\$ 7.50	4.8	\$ 1,405,540
Options vested and exercisable - January 31, 2020	<u>4,693,273</u>	\$ 7.08	5.4	\$ 736,034
Options vested and exercisable - January 31, 2021	<u>3,566,091</u>	\$ 7.22	4.7	\$ 1,292,303
Stock options vested and expected to vest - January 31, 2021	<u>3,881,545</u>	\$ 7.50	4.8	\$ 1,405,540

There were no options granted during the years ended January 31, 2021 and 2020. The intrinsic value of options exercised for the years ended January 31, 2021, 2020 and 2019 was determined to be \$481.8 million, \$293.9 million and \$198.9 million, respectively.

The aggregate grant date fair value of stock options vested during the years ended January 31, 2021, 2020 and 2019, was \$4.3 million, \$6.3 million and \$15.9 million, respectively. As of January 31, 2021, there was \$1.2 million of unrecognized stock-based compensation expense related to outstanding stock options granted to employees that is expected to be recognized over a weighted-average period of 0.5 years.

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

*Restricted Stock Units*

The following table summarizes RSU activity for the year ended January 31, 2021:

	Shares	Weighted-Average Grant Date Fair Value per RSU
Unvested - January 31, 2019	1,988,774	\$ 54.22
RSUs granted	2,347,359	128.25
RSUs vested	(748,061)	65.96
RSUs forfeited and canceled	(306,641)	77.59
Unvested - January 31, 2020	3,281,431	102.30
RSUs granted	1,785,498	178.60
RSUs vested	(1,163,259)	102.23
RSUs forfeited and canceled	(430,158)	117.35
Unvested - January 31, 2021	3,473,512	\$ 139.68

As of January 31, 2021, there was \$443.6 million of unrecognized stock-based compensation expense related to outstanding RSUs granted to employees that is expected to be recognized over a weighted-average period of 2.8 years.

*2016 China Stock Appreciation Rights Plan*

In April 2016, the Company adopted the 2016 China Stock Appreciation Rights Plan (as amended, the “China SAR Plan”) for its employees in China. These awards that are granted to new employees generally vest over four years with 25% vesting on the one year anniversary of the award and the remainder vesting monthly over the next 36 months of the grantee’s service to the Company. Awards granted to existing employees generally vest quarterly over a period of four years, subject to the grantee’s continued service to the Company. The China SAR Plan units are cash settled upon exercise and will be paid as a cash bonus equal to the difference between the strike price of the vested plan units and the fair market value of common stock at the end of each reporting period.

For the years ended January 31, 2021, 2020 and 2019 the Company granted 2,763, 5,975 and 3,650 units of the China SAR Plan, respectively, at a weighted average strike price of \$165.08, \$129.89 and \$74.92 per share, respectively. During the years ended January 31, 2021, 2020 and 2019, upon the vesting of 4,316, 4,958 and 14,273 units, respectively, the total expense and liability related to China SAR was \$2.6 million, \$2.1 million and \$1.1 million, respectively. These amounts were recorded as part of the “Accrued compensation and benefits” on the Company’s consolidated balance sheet and recognized as bonus expense in the Company’s consolidated statement of operations. During the year ended January 31, 2021, the Company paid \$1.5 million in cash upon the exercise of 6,997 units.

*2017 Employee Stock Purchase Plan*

In October 2017, the Company’s Board of Directors adopted and stockholders approved, the 2017 Employee Stock Purchase Plan (the “2017 ESPP”). Subject to any plan limitations, the 2017 ESPP allows eligible employees to contribute, normally through payroll deductions, up to 15% of their earnings for the purchase of the Company’s Class A common stock at a discounted price per share. Except for the initial offering period, the ESPP provides for separate six-month offering periods.

**MONGODDB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Unless otherwise determined by the Board of Directors, the Company's Class A common stock will be purchased for the accounts of employees participating in the ESPP at a price per share that is the lesser of (1) 85% of the fair market value of the Company's Class A common stock on the first trading day of the offering period, which for the initial offering period is the price at which shares of the Company's Class A common stock were first sold to the public, or (2) 85% of the fair market value of the Company's Class A common stock on the last trading day of the offering period.

Pursuant to the terms of the 2017 ESPP, the shares of the Company's Class A common stock reserved for issuance was increased by 573,825 shares in April 2020. As of January 31, 2021, there were 1,953,304 shares of the Company's Class A common stock available for future issuance under the 2017 ESPP.

During the years ended January 31, 2021, 2020 and 2019 there were 134,930, 154,988 and 374,576 shares, respectively, of Class A common stock purchased under the ESPP. The total expense related to the ESPP for years ended January 31, 2021, 2020 and 2019 was \$7.0 million, \$5.1 million and \$2.9 million, respectively. As of January 31, 2021, there was \$3.4 million of unrecognized stock-based compensation expense related to the ESPP offering period expected to end in June 2021.

#### *Stock Option Repricing*

On April 13, 2016, the Company amended all then-current employee and active non-employee stock options with an exercise price greater than \$6.50 per share that remained outstanding and unexercised on such date to reprice their respective exercise prices to \$6.50 per share, the fair market value of the Company's common stock as of April 13, 2016, as determined by the Board of Directors. Pursuant to this repricing, options to purchase 6,898,736 shares of common stock were repriced, including options to purchase 3,303,786 shares of common stock held by the Company's executive officers. The Company determined the total incremental compensation expense related to the repriced awards was \$10.7 million, of which \$0.2 million and \$1.9 million was recorded during the years ended January 31, 2020 and 2019, respectively. The incremental compensation expense related to repriced awards was not material as of January 31, 2021 as these awards were fully vested during the year.

#### *Early Exercise of Stock Options*

The Company allows employees and directors to exercise options granted prior to vesting. The unvested shares are subject to lapsing repurchase rights upon termination of employment. For early exercised stock options under the 2008 Plan, the repurchase price is at the original purchase price. For early exercised stock options under the 2016 Plan, the repurchase price is the lower of (1) the then-current fair market value of the common stock on the date of repurchase and (2) the original purchase price. The proceeds initially are recorded in other current and non-current liabilities from the early exercise of stock options and reclassified to common stock and paid-in capital as the repurchase right lapses.

For the year ended January 31, 2020, the Company issued common stock of 1,064 shares, respectively, for stock options exercised prior to vesting. There were no shares of the Company's common stock issued during the year ended January 31, 2021 for stock options exercised prior to vesting. For the years ended January 31, 2021 and 2020, the Company repurchased 960 and 5,677 shares, respectively, of common stock related to unvested stock options at the original exercise price due to the termination of employees. As of January 31, 2021 and 2020, there were 1,135 and 14,332 shares, respectively, held by employees and directors that were subject to potential repurchase at an aggregate price of \$0.01 million and \$0.1 million, respectively.

#### *Determination of Fair Value*

For RSUs, fair value is based on the closing price of the Company's Class A common stock on the grant date. For stock options, the determination of fair value on the date of grant is based on an option-pricing model, which utilizes the fair value of the Company's common stock, as well as assumptions regarding a number of complex and subjective variables. The Company uses the Black-Scholes option-pricing model to calculate the fair value of stock options, which requires the use of assumptions including actual and projected employee stock option exercise behaviors, expected price volatility of the Company's common stock, the risk-free interest rate and expected dividends. Each of these inputs is subjective and generally requires significant judgment to determine.

*Fair Value of Common Stock.* Prior to the IPO, the fair value of common stock underlying the stock options had historically been determined by the Board of Directors, with input from the Company's management. The Board of Directors previously determined the fair value of the common stock at the time of grant of the options by considering a number of objective and subjective factors, including valuations of comparable companies, sales of redeemable convertible preferred

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

stock, sales of common stock to unrelated third parties, operating and financial performance, the lack of liquidity of the Company's capital stock and general and industry-specific economic outlook. Subsequent to the IPO, the fair value of the underlying common stock is determined by the closing price, on the date of grant, of the Company's Class A common stock, which is traded publicly on The Nasdaq Global Market.

*Expected Term.* The expected term represents the period that stock-based awards are expected to be outstanding. For option grants that are considered to be "plain vanilla," the Company determines the expected term using the simplified method. The simplified method deems the term to be the average of the time-to-vesting and the contractual life of the options. For other option grants, the Company estimates the expected term using historical data on employee exercises and post-vesting employment termination behavior taking into account the contractual life of the award.

*Expected Volatility.* Since the Company has limited trading history of its common stock, the expected volatility is derived from the average historical stock volatilities of several unrelated public companies within the Company's industry that the Company considers to be comparable to its own business over a period equivalent to the expected term of the stock option grants.

*Risk-Free Interest Rate.* The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the option's expected term.

*Dividend Rate.* The expected dividend is assumed to be zero as the Company has never paid dividends and has no current plans to do so.

The fair value of the purchase rights granted under the 2017 ESPP was estimated on the first day of the offering period using the Black-Scholes option-pricing model with the following assumptions:

	Years Ended January 31,	
	2021	2020
Expected term (in years)	0.50 - 0.54	0.49 - 0.54
Expected volatility	47% - 64%	42% - 48%
Risk-free interest rate	0.09% - 0.19%	1.6% - 2.2%
Dividend yield	0%	0%

*Stock-Based Compensation Expense*

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

	Years Ended January 31,		
	2021	2020	2019
Cost of revenue—subscription	\$ 8,970	\$ 4,996	\$ 2,047
Cost of revenue—services	4,953	3,047	1,239
Sales and marketing	54,632	26,640	11,059
Research and development	57,611	26,686	11,687
General and administrative	23,147	14,407	11,371
Total stock-based compensation expense	<u>\$ 149,313</u>	<u>\$ 75,776</u>	<u>\$ 37,403</u>

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

## 12. Net Loss Per Share

The Company calculates basic net loss per share by dividing the net loss by the weighted-average number of shares of common stock outstanding during the year, less shares subject to repurchase. Diluted net loss per share is computed by giving effect to all potentially dilutive common shares outstanding for the period, including stock options and restricted stock units. Refer to Note 2, *Summary of Significant Accounting Policies*, for further details on the Company's methodology for calculating net loss per share.

Basic and diluted net loss per share was the same for each year presented, as the inclusion of all potential common shares outstanding would have been anti-dilutive due to the net loss reported for each year presented.

For periods in which there were Class B shares outstanding, the rights, including the liquidation and dividend rights, of the holders of Class A and Class B common stock were identical, except with respect to voting. Each share of Class A common stock was and is entitled to one vote per share and each share of Class B common stock was entitled to ten votes per share. As the liquidation and dividend rights were identical for Class A and Class B common stock, the undistributed earnings were allocated on a proportionate basis and the resulting net loss per share would, therefore, be the same for both Class A and Class B common stock on an individual or combined basis.

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

	Years Ended January 31,		
	2021	2020	2019
<i>Numerator:</i>			
Net loss	\$ (266,944)	\$ (175,522)	\$ (99,011)
<i>Denominator:</i>			
Weighted-average shares used to compute net loss per share, basic and diluted	58,984,604	55,939,032	52,034,596
Net loss per share, basic and diluted	\$ (4.53)	\$ (3.14)	\$ (1.90)

The shares underlying the conversion option in the 2024 Notes and 2026 Notes were not considered in the calculation of diluted net loss per share as the effect would have been anti-dilutive. Based on the initial conversion price, the entire outstanding principal amount of the 2024 Notes and 2026 Notes as of January 31, 2021 would have been convertible into approximately 4.4 million shares and 5.4 million shares, respectively, of the Company's Class A common stock. However, the Company currently expects to settle the principal amount of the 2024 Notes and 2026 Notes in cash. As a result, only the amount by which the conversion value exceeds the aggregate principal amount of the 2024 Notes and 2026 Notes (the "conversion spread") is considered in the diluted earnings per share computation under the treasury stock method. The conversion spread has a dilutive impact on diluted net income per share when the average market price of the Company's Class A common stock for a given period exceeds the initial conversion price of \$68.15 per share for the 2024 Notes and \$211.20 per share for the 2026 Notes. In connection with the issuance of the 2024 Notes and 2026 Notes, the Company entered into Capped Calls, which were not included for purposes of calculating the number of diluted shares outstanding, as their effect would have been anti-dilutive. The Capped Calls are expected to partially offset the potential dilution to the Company's Class A common stock upon any conversion of the 2024 Notes and 2026 Notes.

During the three months ended January 31, 2021, the average market price of the Company's Class A common stock was \$315.79, which exceeded the initial conversion price of the 2024 Notes and 2026 Notes. For disclosure purposes, the Company calculated the potentially dilutive effect of the conversion spread for the 2024 Notes and 2026 Notes, which are included in the table below.

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

The following weighted-average outstanding potentially dilutive shares of common stock were excluded from the computation of diluted net loss per share for the periods presented because the impact of including them would have been anti-dilutive.

	Years Ended January 31,		
	2021	2020	2019
Stock options pursuant to the 2016 Equity Incentive Plan	1,340,476	2,145,462	3,174,009
Stock options pursuant to the 2008 Stock Incentive Plan (previously options to purchase Class B common stock)	3,759,063	5,076,831	7,691,386
Unvested restricted stock units	3,864,504	2,914,575	1,447,642
Early exercised stock options	5,032	29,532	126,447
Shares underlying the conversion spread in the 2024 Notes	889,755	2,112,279	227,982
Shares underlying the conversion spread in the 2026 Notes	450,869	—	—

### 13. Income Taxes

The components of loss before provision for (benefit from) income taxes were as follows (in thousands):

	Years Ended January 31,		
	2021	2020	2019
United States	\$ (159,331)	\$ (117,943)	\$ (50,014)
Foreign	(103,362)	(58,235)	(52,315)
Total	\$ (262,693)	\$ (176,178)	\$ (102,329)

The components of the provision for (benefit from) income taxes were as follows (in thousands):

	Years Ended January 31,		
	2021	2020	2019
Current:			
Federal	\$ 215	\$ 372	\$ 76
State	171	236	134
Foreign	4,229	2,028	1,442
Total	4,615	2,636	1,652
Deferred:			
Federal	5	(2,534)	(3,389)
State	10	(1,336)	(704)
Foreign	(379)	578	(877)
Total	(364)	(3,292)	(4,970)
Provision for (benefit from) income taxes	\$ 4,251	\$ (656)	\$ (3,318)

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

The items accounting for the difference between income taxes computed at the federal statutory income tax rate and the provision for (benefit from) income taxes consisted of the following (in thousands):

	Years Ended January 31,		
	2021	2020	2019
Income tax benefit at statutory rate	\$ (55,165)	\$ (36,997)	\$ (21,474)
State taxes, net of federal benefit	143	298	106
Impact of foreign income taxes	25,569	5,376	5,111
Foreign branch income included in the U.S.	297	—	—
Stock-based compensation	(107,800)	(41,800)	(27,361)
Non-deductible expenses	991	2,114	1,238
Change in valuation allowance	157,822	72,263	40,357
Research and development credits	(18,197)	(1,899)	(1,540)
Foreign tax credit	(711)	—	—
Foreign withholding tax expense	215	—	—
Prior year true ups	1,100	59	135
Other	(13)	(70)	110
Provision for (benefit from) income taxes	<u>\$ 4,251</u>	<u>\$ (656)</u>	<u>\$ (3,318)</u>

The overall tax provision recorded for the current fiscal year is primarily driven by an increase in foreign taxes as the Company continues its global expansion. The benefit for income taxes for the year ended January 31, 2020 was primarily due to a non-recurring tax benefit associated with the acquisition of Realm intangible assets, which reduced our deferred tax asset and the related valuation allowance.

#### *Deferred Income Taxes*

Deferred income taxes arise from temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for income tax reporting purposes, as well as operating losses and tax credit carryforwards.

Significant components of the Company's deferred tax assets are shown in the following table as of January 31, 2021 and 2020, respectively (in thousands). Certain prior period amounts have been reclassified to conform with current year presentation.

	Years Ended January 31,	
	2021	2020
<b>Deferred tax assets:</b>		
Net operating loss carryforwards	\$ 416,887	\$ 204,193
Deferred revenue	36,467	21,087
Finance and operating lease liabilities	23,184	17,805
Other reserves	18,020	14,729
Gross deferred tax assets	494,558	257,814
Valuation allowance	(374,790)	(136,876)
Total deferred tax assets, net of valuation allowance	<u>119,768</u>	<u>120,938</u>
<b>Deferred tax liabilities:</b>		
Finance and operating lease right-of-use assets	(15,907)	(11,417)
Convertible senior notes	(68,877)	(78,812)
Deferred commission	(25,605)	(19,772)
Other liabilities and accruals	(9,155)	(11,080)
Total deferred tax liabilities	<u>(119,544)</u>	<u>(121,081)</u>
Net deferred tax assets (liabilities)	<u>\$ 224</u>	<u>\$ (143)</u>

**MONGODDB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Deferred tax assets are recognized when management believes it more likely than not that they will be realized. Deferred tax assets are reduced by a valuation allowance if, based on available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The valuation allowance for deferred tax assets as of January 31, 2021 and 2020 was \$374.8 million and \$136.9 million, respectively. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected future taxable income and tax planning strategies in making this assessment.

As of January 31, 2021 the Company had net operating loss carryforwards for federal, state, Irish and U.K. income tax purposes of \$1.2 billion, \$1.1 billion, \$384.0 million and \$22.1 million, respectively, which begin to expire in the year ending January 31, 2028 for federal purposes and January 31, 2021 for state purposes. Ireland, U.K. and the U.S. federal losses for years after January 31, 2018 allows net operating losses to be carried forward indefinitely. The Company also has federal and state research credit carryforwards of \$52.9 million and \$4.1 million, respectively, which begin to expire in the year ending January 31, 2029 for federal purposes and January 31, 2025 for state purposes. Utilization of the federal net operating loss carryforwards and credits may be subject to a substantial annual limitation due to the ownership change limitations provided by the Internal Revenue Code of 1986, as amended and similar state provisions. The annual limitation, should the Company undergo an ownership change, may result in the expiration of federal or state net operating losses and credits before utilization, however the Company does not expect any such limitation to be material.

#### *Uncertain Tax Positions*

The calculation of the Company's tax obligations involves dealing with uncertainties in the application of complex tax laws and regulations. ASC 740, *Income Taxes*, provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, on the basis of the technical merits. The Company has assessed its income tax positions and recorded tax benefits for all years subject to examination, based upon the Company's evaluation of the facts, circumstances and information available at each period end. For those tax positions where the Company has determined there is a greater than 50% likelihood that a tax benefit will be sustained, the Company has recorded the largest amount of tax benefit that may potentially be realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is determined there is less than 50% likelihood that a tax benefit will be sustained, no tax benefit has been recognized.

Although the Company believes that it has adequately reserved for its uncertain tax positions, the Company can provide no assurance that the final tax outcome of these matters will not be materially different. As the Company expands internationally, it will face increased complexity and the Company's unrecognized tax benefits may increase in the future. The Company makes adjustments to its reserves when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made.

The following table summarizes the changes in the Company's unrecognized gross tax benefits during the periods presented (in thousands):

	Years Ended January 31,		
	2021	2020	2019
Unrecognized tax benefits at beginning of year	\$ 5,290	\$ 4,603	\$ 4,049
Increase (decrease) in tax positions in prior years	6,059	53	(26)
Additions based on tax positions in the current year	6,135	634	580
Unrecognized tax benefits at end of year	<u>\$ 17,484</u>	<u>\$ 5,290</u>	<u>\$ 4,603</u>

As a result of a research and development credit study performed during the year ended January 31, 2021, the Company recorded additional unrecognized tax benefits for tax positions in prior years. As of January 31, 2021, unrecognized tax benefits would not have any impact on our effective tax rate if recognized.

The Company continues to evaluate whether to continue applying the exception to the presumption of the repatriation of foreign earnings applying the rules of the Tax Act and continues to be permanently reinvested outside of the United States. The Company has not provided for U.S. federal income and foreign withholding taxes on approximately \$2.4 million of

**MONGODB, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

undistributed earnings from non-U.S. operations as of January 31, 2021 because the Company intends to reinvest such earnings indefinitely outside of the United States. If the Company were to distribute these earnings, foreign tax credits may become available under current law to reduce the resulting U.S. income tax liability. The Company has estimated the amount of unrecognized deferred tax liability related to these earnings to be approximately \$0.3 million.

The Company is not currently under Internal Revenue Service, state, or foreign income tax examination with the exception of an audit in France for which the Company does not expect a material outcome. The Company does not anticipate any significant increases or decreases in its uncertain tax positions within the next twelve months. The Company files tax returns in the United States for federal and certain states. All tax years remain open to examination for both federal and state purposes as a result of the net operating loss and credit carryforwards. The Company files foreign tax returns in various locations. These foreign returns are open to examination for the fiscal years ending January 31, 2015 through January 31, 2020.

The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was enacted into U.S. federal law on March 27, 2020. The CARES Act provided numerous tax provisions and other stimulus measures, including temporary changes regarding the prior and future utilization of net operating losses, temporary changes to the prior and future limitations on interest deductions, and technical corrections from prior tax legislation for tax depreciation of certain qualified improvement property. The Company evaluated the provisions of the CARES Act and concluded that there was no material impact on its financial statements. The tax effects of other related foreign government assistance enacted into law this period are also not material to the Company this period.

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

**ITEM 9A. 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 a company in the reports that it files or submits 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, evaluated the effectiveness of our disclosure controls and procedures as of January 31, 2021. Based on the evaluation of our disclosure controls and procedures as of January 31, 2021, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

**Management’s Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining adequate “internal control over financial reporting,” as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act. Our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of January 31, 2021 based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on the results of its evaluation, management concluded that our internal control over financial reporting was effective as of January 31, 2021. The effectiveness of our internal control over financial reporting as of January 31, 2021 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in its report which is included in Item 8 of this Form 10-K.

**Changes in Internal Control Over Financial Reporting**

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and Rule 15d-15(d) of the Exchange Act that occurred during the fiscal quarter ended January 31, 2021 that has materially affected, or is 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.

### **Item 9B. Other Information**

None.

## **PART III**

### **Item 10. Directors, Executive Officers and Corporate Governance**

The information required by this Item (other than the information set forth in the next paragraph in this Item) will be included in the 2021 Proxy Statement to be filed with the SEC within 120 days after the end of our fiscal year ended January 31, 2021 and is incorporated herein by reference.

We have adopted a Code of Business Conduct and Ethics (the “Code of Conduct”), applicable to all of our employees, executive officers and directors. The Code of Conduct is available on our website at [investors.mongodb.com](http://investors.mongodb.com). The nominating and corporate governance committee of our Board of Directors is responsible for overseeing the Code of Conduct and must approve any waivers of the Code of Conduct for employees, executive officers and directors. We expect that any amendments to the Code of Conduct, or any waivers of its requirements, will be disclosed on our website, as required by applicable law or the listing standards of The Nasdaq Global Market. The inclusion of our website address in this Form 10-K does not include or incorporate by reference into this Annual Report on Form 10-K (this “Form 10-K”) the information on or accessible through our website.

### **Item 11. Executive Compensation**

The information required by this Item will be included in the 2021 Proxy Statement and is incorporated herein by reference.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this Item will be included in the 2021 Proxy Statement and is incorporated herein by reference.

### **Item 13. Certain Relationships and Related Transactions and Director Independence**

The information required by this Item will be included in the 2021 Proxy Statement and is incorporated herein by reference.

### **Item 14. Principal Accounting Fees and Services**

The information required by this Item will be included in the 2021 Proxy Statement and is incorporated herein by reference.

## PART IV

### Item 15. Exhibits, Financial Statement Schedules

#### (a) Documents filed as part of this report

##### (1) All financial statements

Index to Consolidated Financial Statements	Page
<a href="#">Report of Independent Registered Public Accounting Firm</a>	<a href="#">64</a>
Financial Statements:	
<a href="#">Consolidated Balance Sheets as of January 31, 2021 and 2020</a>	<a href="#">66</a>
<a href="#">Consolidated Statements of Operations for the years ended January 31, 2021, 2020 and 2019</a>	<a href="#">67</a>
<a href="#">Consolidated Statements of Comprehensive Loss for the years ended January 31, 2021, 2020 and 2019</a>	<a href="#">68</a>
<a href="#">Consolidated Statements of Stockholders' Equity (Deficit) for the years ended January 31, 2021, 2020 and 2019</a>	<a href="#">69</a>
<a href="#">Consolidated Statements of Cash Flows for years ended January 31, 2021, 2020 and 2019</a>	<a href="#">70</a>
<a href="#">Notes to Consolidated Financial Statements</a>	<a href="#">72</a>

##### (2) Financial Statement Schedules

#### Schedule II: Valuation and Qualifying Accounts

The table below details the activity of the allowance for doubtful accounts and the deferred tax asset valuation allowance for the years ended January 31, 2021, 2020 and 2019 (in thousands):

	Balance at Beginning of Year	Additions	Usage (Deductions)	Balance at End of Year
<b>Year ended January 31, 2021</b>				
Allowance for doubtful accounts	\$ 2,515	\$ 5,181	\$ (1,672)	6,024
Deferred tax asset valuation allowance	136,876	237,914	—	374,790
<b>Year ended January 31, 2020</b>				
Allowance for doubtful accounts	\$ 1,539	\$ 4,502	\$ (3,526)	2,515
Deferred tax asset valuation allowance	101,502	35,374	—	136,876
<b>Year ended January 31, 2019</b>				
Allowance for doubtful accounts	\$ 1,238	\$ 2,069	\$ (1,768)	1,539
Deferred tax asset valuation allowance	77,265	24,237	—	101,502

All other financial statement schedules have been omitted, since the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and notes thereto included in this Form 10-K.

**(3) Exhibits**

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
2.1	<a href="#">Agreement and Plan of Merger, dated as of October 9, 2018, by and among the Company, Mammoth Merger Sub, Inc., ObjectLabs Corporation and Shareholder Representative Services LLC</a>	10-Q	001-38240	2.1	12/16/18	
3.1	<a href="#">Amended and Restated Certificate of Incorporation of Registrant</a>	8-K	001-38240	3.1	10/25/17	
3.2	<a href="#">Amended and Restated Bylaws of Registrant</a>	S-1	333-220557	3.4	9/21/17	
3.3	<a href="#">Certificate of Retirement</a>	8-K	001-38240	3.1	6/16/20	
4.1	<a href="#">Form of Class A common stock certificate of Registrant</a>	S-1/A	333-220557	4.1	10/6/17	
4.2	<a href="#">Fifth Amended and Restated Investors' Rights Agreement by and among the Registrant and certain of its stockholders, dated October 2, 2013</a>	S-1	333-220557	4.2	9/21/17	
4.3	<a href="#">Indenture, dated as of June 28, 2018, by and between the Registrant and U.S. Bank National Association, as Trustee</a>	8-K	001-38240	4.1	6/28/18	
4.4	<a href="#">Form of Global Note, representing MongoDB, Inc.'s 0.75% Convertible Senior Notes due 2024 (included as Exhibit A to the Indenture filed as Exhibit 4.3)</a>	8-K	001-38240	4.2	6/28/18	
4.5	<a href="#">Indenture, dated as of January 14, 2020, by and between MongoDB, Inc. and U.S. Bank National Association, as Trustee</a>	8-K	001-38240	4.1	1/14/20	
4.6	<a href="#">Form of Global Note, representing MongoDB, Inc.'s 0.25% Convertible Senior Notes due 2026 (included as Exhibit A to the Indenture filed as Exhibit 4.5)</a>	8-K	001-38240	4.2	1/14/20	
4.7	<a href="#">Description of Registered Securities</a>					x
10.1#	<a href="#">2008 Stock Incentive Plan and Forms of Option Agreement and Exercise Notice thereunder, as amended to date</a>	S-1	333-220557	10.1	9/21/17	
10.2#	<a href="#">Amended and Restated 2016 Equity Incentive Plan and Forms of Stock Option Agreement, Notice of Exercise, Stock Option Grant Notice and Restricted Stock Unit Award Agreement thereunder</a>	S-1/A	333-220557	10.2	10/6/17	
10.3#	<a href="#">Amended and Restated Form of Restricted Stock Unit Award Agreement, effective as of February 24, 2021</a>					x
10.4#	<a href="#">Forms of Restricted Stock Award Grant Notice and Restricted Stock Award Agreement under the Amended and Restated 2016 Equity Incentive Plan</a>	10-K	001-38240	10.3	3/30/18	
10.5#	<a href="#">2016 China Stock Appreciation Rights Plan and Form of China Stock Appreciation Rights Award Agreement</a>	S-1/A	333-220557	10.3	10/6/17	
10.6#	<a href="#">2017 Employee Stock Purchase Plan</a>	S-1/A	333-220557	10.4	10/6/17	
10.7#	<a href="#">Form of Indemnification Agreement by and between the Registrant and each of its directors and executive officers</a>	S-1	333-220557	10.5	9/21/17	
10.8#	<a href="#">Amended and Restated Offer Letter, dated September 29, 2017, by and between the Registrant and Dev Ittycheria</a>	S-1/A	333-220557	10.6	10/6/17	

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.9#	<a href="#">Amended and Restated Offer Letter, dated September 29, 2017, by and between the Registrant and Michael Gordon</a>	S-1/A	333-220557	10.8	10/6/17	
10.10#	<a href="#">Offer Letter, dated September 29, 2017, by and between Registrant and Eliot Horowitz</a>	S-1/A	333-220557	10.9	10/6/17	
10.11#	<a href="#">Employment Agreement, between Cedric Pech and MongoDB Switzerland GmbH, dated as of February 6, 2019</a>	10-K	001-38240	10.1	6/7/19	
10.12#	<a href="#">Offer Letter, dated June 27, 2020, by and between Registrant and Mark Porter</a>	10-Q	001-38240	10.1	9/3/20	
10.13	<a href="#">Lease, between PGREF I 1633 Broadway Tower, L.P. and MongoDB, Inc., dated December 14, 2017</a>	10-K	001-38240	10.12	3/30/18	
10.14	<a href="#">Purchase Agreement, dated June 25, 2018, by and among MongoDB, Inc. and Morgan Stanley &amp; Co. LLC, Goldman Sachs &amp; Co. LLC and Barclays Capital Inc.</a>	8-K	001-38240	99.1	6/28/18	
10.15	<a href="#">Form of Confirmation for 2018 Capped Call Transactions</a>	8-K	001-38240	99.2	6/28/18	
10.16	<a href="#">Purchase Agreement, dated January 9, 2020, by and among MongoDB, Inc. and Morgan Stanley &amp; Co. LLC, Goldman Sachs &amp; Co. LLC, Barclays Capital, Inc. and Citigroup Global Markets, Inc.</a>	8-K	001-38240	99.1	1/14/20	
10.17	<a href="#">Form of Confirmation for 2020 Capped Call Transactions</a>	8-K	001-38240	99.2	1/14/20	
21.1	<a href="#">Subsidiaries of the Registrant</a>					x
23.1	<a href="#">Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm</a>					x
31.1	<a href="#">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</a>					x
31.2	<a href="#">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</a>					x
32.1*	<a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>					x
32.2*	<a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>					x
101.INS	Inline XBRL Instance 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					

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
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)					
#	Indicates management contract or compensatory plan.					
*	This certification is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.					

**Item 16. Form 10-K Summary**

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

### MONGODB, INC.

Date: March 22, 2021

By:           /s/ Dev Ittycheria            
**Name:** Dev Ittycheria  
**Title:** President, Chief Executive Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Dev Ittycheria</u> <b>Dev Ittycheria</b>	President, Chief Executive Officer and Director (Principal Executive Officer)	March 22, 2021
<u>/s/ Michael Gordon</u> <b>Michael Gordon</b>	Chief Operating Officer and Chief Financial Officer (Principal Financial Officer)	March 22, 2021
<u>/s/ Thomas Bull</u> <b>Thomas Bull</b>	Corporate Controller (Principal Accounting Officer)	March 22, 2021
<u>/s/ Tom Killalea</u> <b>Tom Killalea</b>	Director	March 22, 2021
<u>/s/ Archana Agrawal</u> <b>Archana Agrawal</b>	Director	March 22, 2021
<u>/s/ Roelof Botha</u> <b>Roelof Botha</b>	Director	March 22, 2021
<u>/s/ Hope Cochran</u> <b>Hope Cochran</b>	Director	March 22, 2021
<u>/s/ Francisco D'Souza</u> <b>Francisco D'Souza</b>	Director	March 22, 2021
<u>/s/ Charles M. Hazard, Jr.</u> <b>Charles M. Hazard, Jr.</b>	Director	March 22, 2021
<u>/s/ Dwight Merriman</u> <b>Dwight Merriman</b>	Director	March 22, 2021
<u>/s/ John McMahon</u> <b>John McMahon</b>	Director	March 22, 2021

**DESCRIPTION OF THE REGISTRANT'S SECURITIES  
REGISTERED PURSUANT TO SECTION 12 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

As of January 31, 2021, MongoDB, Inc. had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, or the Exchange Act: our Class A common stock, \$0.001 par value per share. References herein to the terms “we,” “our” and “us” refer to MongoDB, Inc. and its subsidiaries.

The following description of our capital stock is a summary and does not purport to be complete. It is subject to, and qualified in its entirety by reference to, the applicable provisions of our amended and restated certificate of incorporation, our amended and restated bylaws and our fifth amended and restated investors’ rights agreement, or the investors’ rights agreement, entered into in October 2013, which are filed as exhibits to our Annual Report on Form 10-K, of which this Exhibit 4.7 is a part, and are incorporated by reference herein. We encourage you to read our amended and restated certificate of incorporation, our amended and restated bylaws, our investors’ rights agreement and the applicable provisions of the Delaware General Corporation Law, or the DGCL, for more information.

**General**

Our authorized capital stock consists of shares, all with a par value of \$0.001 per share, of which:

- 1,000,000,000 shares are designated as Class A common stock; and
- 100,000,000 shares are designated as preferred stock.

Our board of directors may establish the rights and preferences of the preferred stock from time to time.

**Class A Common Stock**

*Voting Rights*

Each holder of our Class A common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Under our amended and restated certificate of incorporation, as amended by the certificate of retirement dated June 16, 2020, and our amended and restated bylaws, our stockholders do not have cumulative voting rights. Because of this, the holders of a majority of the shares of our Class A common stock entitled to vote in any election of directors are able to elect all of the directors standing for election, if they should so choose.

*Dividends*

Subject to preferences that may be applicable to any then-outstanding preferred stock, holders of our Class A common stock are entitled to receive ratably those dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

### *Liquidation*

In the event of our liquidation, dissolution or winding up, holders of our Class A common stock will be entitled to share ratably in the net assets legally available for distribution to our stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of our preferred stock.

### *Rights and Preferences*

Holders of our Class A common stock have no preemptive, conversion or subscription rights and there are no redemption or sinking fund provisions applicable to the common stock. The rights, preferences and privileges of the holders of our Class A common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate in the future.

### *Fully Paid and Non-Assessable*

All of the outstanding shares of our Class A common stock are fully paid and non-assessable.

### **Registration Rights**

A holder of our Class A common stock is entitled to certain rights with respect to registration of such shares under the Securities Act of 1933, or the Securities Act, pursuant to the terms of an investors' rights agreement. These shares are collectively referred to herein as registrable securities. The investors' rights agreement provides the holder of registrable securities with demand, piggyback and Form S-3 registration rights. We will pay all expenses relating to any demand, piggyback or Form S-3 registration, other than underwriting discounts and commissions, subject to specified conditions and limitations. The registration rights will terminate upon the earlier to occur of the date that is five years following the closing of our initial public offering and the date on which the stockholder holding registrable securities is able to sell all of its shares during a 90-day period pursuant to Rule 144 under the Securities Act.

### **Anti-Takeover Provisions**

#### *Anti-Takeover Statute*

We are subject to Section 203 of the Delaware General Corporation Law, which generally prohibits a publicly held Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes

of determining the voting stock outstanding, but not the outstanding voting stock owned by the interested stockholder, those shares owned (1) by persons who are directors and also officers and (2) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66<sup>2</sup>/<sub>3</sub>% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines a “business combination” to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines an "interested stockholder" as an entity or person who, together with the person's affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

#### *Anti-Takeover Effects of Certain Provisions of Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws*

Our amended and restated certificate of incorporation provides for a board of directors comprised of three classes of directors, with each class serving a three-year term beginning and ending in different years than those of the other two classes. Only one class of directors will be elected at

each annual meeting of stockholders, with the other classes continuing for the remainder of their respective three-year terms.

Because our stockholders do not have cumulative voting rights, stockholders holding a majority of the voting power of the Class A common stock will be able to elect all of our directors.

Our amended and restated certificate of incorporation and amended and restated bylaws also provide that:

- the authorized number of directors may be changed only by resolution of the board of directors;
- vacancies and newly created directorships on the board of directors may be filled (1) by a majority vote of the directors then serving on the board, even though less than a quorum, except as otherwise required by law or determined by the board, or (2) by the stockholders;
- stockholder action may be taken at a duly called meeting of stockholders; and
- a special meeting of stockholders may be called by a majority of our whole board of directors, the chair of our board of directors, or our chief executive officer.

The combination of these provisions will make it more difficult for another party to obtain control of us by replacing our board of directors. Since our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for another party to effect a change in management.

These provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to reduce our vulnerability to hostile takeovers and to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and may have the effect of delaying changes in our control or management. As a consequence, these provisions may also inhibit fluctuations in the market price of our stock that could result from actual or rumored takeover attempts. We believe that the benefits of these provisions, including increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure our company, outweigh the disadvantages of discouraging takeover proposals, because negotiation of takeover proposals could result in an improvement of their terms.

### **Choice of Forum**

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware will be the exclusive forum for: (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a breach of fiduciary duty; (iii) any action asserting a claim against us arising under the Delaware General Corporation Law; (iv) any action regarding our amended and restated certificate of incorporation or amended and restated bylaws; or (v) any action asserting a claim against us that is governed by the internal affairs doctrine. Several

lawsuits have been filed in Delaware challenging the enforceability of similar choice of forum provisions, and it is possible that a court could determine such provisions are not enforceable.

Our amended and restated certificate of incorporation further provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

**MongoDB, Inc.**  
**Restricted Stock Unit Grant Notice (International)**  
**(2016 Equity Incentive Plan)**

MongoDB, Inc. (the “**Company**”), pursuant to its 2016 Equity Incentive Plan (the “**Plan**”), hereby awards to Participant a Restricted Stock Unit Award for the number of shares of the Company’s Common Stock (“**Restricted Stock Units**”) set forth below (the “**Award**”). The Award is subject to all of the terms and conditions as set forth in this notice of grant (this “**Restricted Stock Unit Grant Notice**”) and in the Plan and the Restricted Stock Unit Agreement (the “**Award Agreement**”), both of which are attached hereto and incorporated herein in their entirety. Capitalized terms not otherwise defined herein will have the meanings set forth in the Plan or the Award Agreement. In the event of any conflict between the terms in the Award and the Plan, the terms of the Plan will control.

Participant:    \_\_\_  
Date of Grant:   \_\_\_  
Vesting Base Date:   \_\_\_  
Number of Restricted Stock Units/Shares:    \_\_\_

**Vesting Schedule:** [\_\_\_\_\_]

**Issuance Schedule:** The shares of Common Stock to be issued in respect of the Award will be issued in accordance with the issuance schedule set forth in Section 6 of the Restricted Stock Unit Agreement.

**Additional Terms/Acknowledgements:** Participant acknowledges receipt of, and understands and agrees to, this Restricted Stock Unit Grant Notice, the Award Agreement, including any country-specific appendices, and the Plan. Participant acknowledges and agrees that this Restricted Stock Unit Grant Notice and the Award Agreement may not be modified, amended or revised except as provided in the Plan. Participant further acknowledges that as of the Date of Grant, this Restricted Stock Unit Grant Notice, the Award Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the acquisition of Common Stock pursuant to the Award and supersede all prior oral and written agreements on that subject with the exception, if applicable, of (i) equity awards previously granted and delivered to Participant, (ii) any compensation recovery policy that is adopted by the Company or is otherwise required by applicable law, and (iii) any written employment or severance arrangement that would provide for vesting acceleration of this Award upon the terms and conditions set forth therein.

By accepting this Award, Participant consents to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company and such system shall have the same force and effect as hard-copy execution.

**MongoDB, Inc. Participant**

By: \_\_ \_\_  
Signature Signature

Title: \_\_ Date: \_\_

Date: \_\_

**Attachments:** Award Agreement, 2016 Equity Incentive Plan

**MongoDB, Inc.**  
**2016 Equity Incentive Plan**  
**Restricted Stock Unit Agreement**

Pursuant to the Restricted Stock Unit Grant Notice (the “**Grant Notice**”) and this Restricted Stock Unit Agreement (the “**Award Agreement**”) and in consideration of your services, MongoDB, Inc. (the “**Company**”) has awarded you (“**Participant**”) a Restricted Stock Unit Award (the “**Award**”) pursuant to Section 6 of the Company’s 2016 Equity Incentive Plan (the “**Plan**”) for the number of Restricted Stock Units/shares indicated in the Grant Notice. Capitalized terms not explicitly defined in this Award Agreement or the Grant Notice will have the same meanings given to them in the Plan. The terms of your Award, in addition to those set forth in the Grant Notice and the Plan, are as follows.

**1. Grant of the Award.** This Award represents the right to be issued on a future date one (1) share of Common Stock for each Restricted Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 3 below) as indicated in the Grant Notice. As of the Date of Grant, the Company will credit to a bookkeeping account maintained by the Company for your benefit (the “**Account**”) the number of Restricted Stock Units/shares of Common Stock subject to the Award. This Award was granted in consideration of your services to the Company or an Affiliate. Except as otherwise provided herein, you will not be required to make any payment to the Company or an Affiliate (other than services to the Company or an Affiliate) with respect to your receipt of the Award, the vesting of the Restricted Stock Units or the delivery of the Company’s Common Stock to be issued in respect of the Award. Notwithstanding the foregoing, the Company reserves the right to issue you the cash equivalent of Common Stock, in part or in full satisfaction of the delivery of Common Stock upon vesting of your Restricted Stock Units, and, to the extent applicable, references in this Award Agreement and the Grant Notice to Common Stock issuable in connection with your Restricted Stock Units will include the potential issuance of its cash equivalent pursuant to such right.

**2. Vesting.** Subject to the limitations contained herein, your Award will vest, if at all, in accordance with the vesting schedule provided in the Grant Notice, provided that vesting will cease upon the termination of your Continuous Service. Upon such termination of your Continuous Service, the Restricted Stock Units/shares of Common Stock credited to the Account that were not vested on the date of such termination will be forfeited at no cost to the Company and you will have no further right, title or interest in or to such underlying shares of Common Stock.

**3. Number of Shares.** The number of Restricted Stock Units/shares subject to your Award may be adjusted from time to time for Capitalization Adjustments, as provided in the Plan. Any additional Restricted Stock Units, shares, cash or other property that becomes subject to the Award pursuant to this Section 3, if any, will be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Restricted Stock Units and shares covered by your Award. Notwithstanding the provisions of this Section 3, no fractional shares or rights for fractional shares of Common Stock will be created pursuant to this Section 3. Any fraction of a share will be rounded down to the nearest whole share.

**4. US Securities Law Compliance.** You may not be issued any Common Stock under your Award unless the shares of Common Stock underlying the Restricted Stock Units are either (i) then registered under the Securities Act, or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Your Award must also comply with other applicable laws and regulations governing the Award, and you will not receive such Common Stock if the

Company determines that such receipt would not be in material compliance with such laws and regulations.

**5. Transfer Restrictions.** Prior to the time that shares of Common Stock have been delivered to you, you may not transfer, pledge, sell or otherwise dispose of this Award or the shares issuable in respect of your Award, except as expressly provided in this Section 5. For example, you may not use shares that may be issued in respect of your Restricted Stock Units as security for a loan. The restrictions on transfer set forth herein will lapse upon delivery to you of shares in respect of your vested Restricted Stock Units. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party who, in the event of your death, will thereafter be entitled to receive any distribution of Common Stock to which you were entitled at the time of your death pursuant to this Award Agreement. In the absence of such a designation, your legal representative will be entitled to receive, on behalf of your estate, such Common Stock or other consideration.

(a) **Death.** Your Award is transferable by will and by the laws of descent and distribution. At your death, vesting of your Award will cease and your executor or administrator of your estate will be entitled to receive, on behalf of your estate, any Common Stock or other consideration that vested but was not issued before your death.

(b) **Domestic Relations Orders.** Upon receiving written permission from the Board or its duly authorized designee, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer your right to receive the distribution of Common Stock or other consideration hereunder, pursuant to a domestic relations order, official marital settlement agreement or other divorce or separation instrument that contains the information required by the Company to effectuate the transfer. You are encouraged to discuss the proposed terms of any division of this Award with the Company General Counsel prior to finalizing the domestic relations order or marital settlement agreement to verify that you may make such transfer, and if so, to help ensure the required information is contained within the domestic relations order or marital settlement agreement.

**6. Date of Issuance.**

(a) The issuance of shares in respect of the Restricted Stock Units is intended to comply with Treasury Regulations Section 1.409A-1(b)(4) and will be construed and administered in such a manner. Subject to the satisfaction of the withholding obligations set forth in this Award Agreement, in the event one or more Restricted Stock Units vests, the Company will issue to you one (1) share of Common Stock for each Restricted Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 3 above, and subject to any different provisions in the Grant Notice). The issuance date determined by this paragraph is referred to as the “**Original Issuance Date**”.

(b) If the Original Issuance Date falls on a date that is not a business day, delivery will instead occur on the next following business day. In addition, if:

(i) the Original Issuance Date does not occur (1) during an “open window period” applicable to you, as determined by the Company in accordance with the Company’s then-effective policy on trading in Company securities, or (2) on a date when you are otherwise permitted to sell shares of Common Stock on an established stock exchange or stock market (including but not limited to under a

previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company's policies (a "**10b5-1 Plan**"), and

(ii) either (1) Withholding Taxes do not apply, or (2) the Company decides, prior to the Original Issuance Date, (A) not to satisfy the Withholding Taxes by withholding shares of Common Stock from the shares otherwise due, on the Original Issuance Date, to you under this Award, and (B) not to permit you to enter into a "same day sale" commitment with a broker-dealer pursuant to Section 11 of this Award Agreement (including but not limited to a commitment under a 10b5-1 Plan) and (C) not to permit you to pay the Withholding Taxes in cash or from other compensation otherwise payable to you by the Company,

then the shares that would otherwise be issued to you on the Original Issuance Date will not be delivered on such Original Issuance Date and will instead be delivered on the first business day when you are not prohibited from selling shares of the Company's Common Stock in the open public market, but in no event later than December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs), or, if and only if permitted in a manner that complies with Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the shares of Common Stock under this Award are no longer subject to a "substantial risk of forfeiture" within the meaning of Treasury Regulations Section 1.409A-1(d).

(c) The form of delivery of the shares of Common Stock in respect of your Award (*e.g.*, a stock certificate or electronic entry evidencing such shares) will be determined by the Company.

**7. Dividends.** You will receive no benefit or adjustment to your Award with respect to any cash dividend, stock dividend or other distribution that does not result from a Capitalization Adjustment; provided, however, that this sentence will not apply with respect to any shares of Common Stock that are delivered to you in connection with your Award after such shares have been delivered to you.

**8. Restrictive Legends.** The shares of Common Stock issued under your Award will be endorsed with appropriate legends as determined by the Company.

**9. Execution of Documents.** You hereby acknowledge and agree that the manner selected by the Company by which you indicate your consent to your Grant Notice is also deemed to be your execution of your Grant Notice and of this Award Agreement. You further agree that such manner of indicating consent may be relied upon as your signature for establishing your execution of any documents to be executed in the future in connection with your Award.

**10. Award not a Service Contract.**

(a) Your Continuous Service with the Company or an Affiliate is not for any specified term and may be terminated by you or by the Company or an Affiliate at any time, for any reason, with or without cause and with or without notice, subject to applicable laws and your service or employment agreement. Nothing in this Award Agreement (including, but not limited to, the vesting of your Award or the issuance of the shares subject to your Award), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Award Agreement or the Plan will: (i) confer upon you any right to continue in the employ of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or

affiliation; (iii) confer any right or benefit under this Award Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Award Agreement or Plan; or (iv) deprive the Company of the right to terminate you without regard to any future vesting opportunity that you may have.

(b) By accepting this Award, you acknowledge and agree that the right to continue vesting in the Award is earned only by continuing as an employee, director or consultant of the Company or an Affiliate and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a “**reorganization**”). You further acknowledge and agree that such a reorganization could result in the termination of your Continuous Service, or the termination of Affiliate status of your employer and the loss of benefits available to you under this Award Agreement, including but not limited to, the termination of the right to continue vesting in the Award. You further acknowledge and agree that this Award Agreement, the Plan, the transactions contemplated hereunder and the vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Award Agreement, for any period, or at all, and will not interfere in any way with your right or the right of the Company or an Affiliate to terminate your Continuous Service at any time, with or without cause and with or without notice, subject to applicable laws, and will not interfere in any way with the Company’s right to conduct a reorganization.

#### **11. Tax Withholding Obligations.**

(a) On each vesting date, and on or before the time you receive a distribution of the shares underlying your Restricted Stock Units, and at any other time as reasonably requested by the Company in accordance with applicable tax laws, you hereby authorize any required withholding from the Common Stock issuable to you and otherwise agree to make adequate provision in cash for any sums required to satisfy the federal, state, local and foreign tax and social insurance contribution withholding obligations of the Company or any Affiliate that arise in connection with your Award (the “**Withholding Taxes**”). Additionally, the Company or any Affiliate may, in its sole discretion, satisfy all or any portion of the Withholding Taxes obligation relating to your Award by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to you by the Company or an Affiliate; (ii) causing you to tender a cash payment; (iii) permitting or requiring you to enter into a “same day sale” commitment, if applicable, with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a “**FINRA Dealer**”) (pursuant to this authorization and without further consent) whereby you irrevocably elect to sell a portion of the shares to be delivered in connection with your Restricted Stock Units to satisfy the Withholding Taxes and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Withholding Taxes directly to the Company and its Affiliates; or (iv) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with the Award with a Fair Market Value (measured as of the date shares of Common Stock are issued to you pursuant to Section 6) equal to the amount of such Withholding Taxes; *provided, however*, that the number of such shares of Common Stock so withheld will not exceed the amount necessary to satisfy the Company’s required tax withholding obligations using the minimum statutory withholding rates for federal, state, local and, if applicable, foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income; and *provided further*, that to the extent necessary to qualify for an exemption from application of Section 16(b) of the Exchange Act, if applicable, such share withholding procedure will be subject to the express prior approval of the Company’s Compensation Committee. However, the Company does not guarantee that you will be able to satisfy the Withholding Taxes through any of the methods described in the

preceding provisions and in all circumstances you remain responsible for timely and fully satisfying the Withholding Taxes.

(b) Unless the tax withholding obligations of the Company and any Affiliate are satisfied, the Company will have no obligation to deliver to you any Common Stock or other consideration pursuant to this Award.

(c) In the event the Company's obligation to withhold arises prior to the delivery to you of Common Stock or it is determined after the delivery of Common Stock to you that the amount of the Company's withholding obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

**12. Tax Consequences.** The Company has no duty or obligation to minimize the tax consequences to you of this Award and will not be liable to you for any adverse tax consequences to you arising in connection with this Award. You are hereby advised to consult with your own personal tax, financial and legal advisors regarding the tax consequences of this Award and by signing the Grant Notice, you have agreed that you have done so or knowingly and voluntarily declined to do so. You understand that you (and not the Company) will be responsible for your own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

**13. Data Privacy.**

**The following provisions shall apply to you if you reside in the EU or EEA.**

*Data Collected and Purposes of Collection*

You understands that the Company, acting as controller as well as your employer, may collect, to the extent permissible under applicable law, certain personal information about you, including name, home address and telephone number, information necessary to process payment of the Award (e.g., mailing address for a check payment or bank account wire transfer information), date of birth, social insurance number or other identification number, salary, nationality, job title, employment location, any capital shares or directorships held in the Company (but only where needed for legal or tax compliance), any other information necessary to process mandatory tax withholding and reporting, details of all Awards granted, canceled, vested, unvested or outstanding in your favor, and where applicable service termination date and reason for termination (e.g., for cause or other than for cause) (all such personal information is referred to as "**Data**"). The Data is collected from you, your employer, and from the Company, for the exclusive purpose of implementing, administering and managing the Plan pursuant to the terms of this Award Agreement. The legal basis (that is, the legal justification) for processing the Data is to perform this Award Agreement. The Data must be provided in order for you to participate in the Plan and for the parties to this Award Agreement to perform their respective obligations thereunder. If you do not provide Data, you will not be able to participate in the Plan and become a party to this Award Agreement.

*Transfers and Retention of Data*

You understand that your employer will transfer Data to the Company for purposes of plan administration. The Company and your employer may also transfer your Data to other service

providers (such as accounting firms, payroll processing firms or tax firms), as may be selected by the Company in the future, to assist the Company with the implementation, administration and management of this Award Agreement. You understand that the recipients of the Data may be located in the United States, a country that does not benefit from an adequacy decision issued by the European Commission. Where a recipient is located in a country that does not benefit from an adequacy decision, the transfer of the Data to that recipient will be made through the European Commission-approved standard contractual clauses. You understand that Data will be held only as long as is necessary to implement, administer and manage your rights and obligations under this Award Agreement, and for the duration of the relevant statutes of limitations, which may be longer than the term of this Award Agreement.

#### *The Participant's Rights in Respect of Data*

The Company will take steps in accordance with applicable legislation to keep Data accurate, complete and up-to-date. You are entitled to have any inadequate, incomplete or incorrect Data corrected (that is, rectified). You also have the right to request access to your Data as well as additional information about the processing of that Data. Further, you are entitled to object to the processing of Data or have your Data erased, under certain circumstances. As from 25 May 2018, and subject to conditions set forth in applicable law, you are entitled to (i) restrict the processing of your Data so that it is stored but not actively processed (e.g., while the Company assesses whether you are entitled to have Data erased) and (ii) receive a copy of the Data provided pursuant to this Award Agreement or generated by you, in a common machine-readable format. To exercise your rights, you may contact the local human resources representative. You may also contact the relevant data protection supervisory authority, as you have the right to lodge a complaint. The data protection officer may be contacted at [privacy@mongodb.com](mailto:privacy@mongodb.com).

#### **The following provisions shall apply to you if you reside outside the US and EU/EEA.**

You hereby explicitly and unambiguously (i) acknowledge and (ii) to the extent required under applicable law, consent to, the collection, use and transfer, in electronic or other form, of your personal data as described in and necessary to perform this Award Agreement and any other Award grant materials, by and among, as applicable, the Company and its Affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan. You understand that to the extent not prohibited under applicable law, the Company and the Affiliate may hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Awards or any other entitlement to shares of stock awarded, canceled, vested, unvested or outstanding in your favor ("**Data**"), for the purpose of implementing, administering and managing the Plan. Certain Data may also constitute "sensitive personal data" within the meaning of applicable law. Such Data includes, but is not limited to, the information provided above and any changes thereto and other required personal and financial data about you. You hereby (i) acknowledge and (ii) to the extent required under applicable law, provide explicit consent to, the processing of any such Data by the Company and any Affiliate. You understand that Data will be transferred to such stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have data privacy laws and protections that are not considered adequate in your country. You understand that if you resides outside the United States, you may request in those countries where required to be disclosed under applicable law, a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You (i) acknowledge and (ii) to the extent required under applicable law, authorize the

receipt, possession, use, retention and transfer of the Data, in electronic or other form, by the Company, any other possible recipients which may assist the Company with implementing, administering and managing the Plan, for the sole purposes of such implementation, administration and management. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that if you reside outside the United States, you may, if required by applicable law, 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 insofar as such consents are required under applicable law, in any case without cost, by contacting in writing your local human resources representative. Further, you acknowledge that if you are providing consent(s) herein, you are doing so on a purely voluntary basis. Insofar as any consent is required under applicable law, and you either do not consent or later seek to revoke your consent, your employment status or service and career with the Company or Affiliate will not be adversely affected; the only adverse consequence of refusing or withdrawing your consent is that the Company will not be able to grant you options or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent (insofar as consent is required under applicable law) may affect your ability to participate in the Plan, but will have no further detrimental implications for you. For more information on the consequences of your refusal to consent or withdrawal of consent in the event that consent is required under applicable law, you understand that you may contact the local human resources representative.

**14. Unsecured Obligation.** Your Award is unfunded, and as a holder of a vested Award, you will be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares or other property pursuant to this Award Agreement. You will not have voting or any other rights as a stockholder of the Company with respect to the shares to be issued pursuant to this Award Agreement until such shares are issued to you pursuant to Section 6 of this Award Agreement. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Award Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

**15. Notices.** Any notice or request required or permitted hereunder will be given in writing to each of the other parties hereto and will be deemed effectively given on the earlier of (i) the date of personal delivery, including delivery by express courier, or delivery via electronic means, or (ii) the date that is five (5) days after deposit in the United States Post Office (whether or not actually received by the addressee), by registered or certified mail with postage and fees prepaid, addressed to the Company at its primary executive offices, attention: Stock Plan Administrator, and addressed to you at your address as on file with the Company at the time notice is given.

**16. Headings.** The headings of the Sections in this Award Agreement are inserted for convenience only and will not be deemed to constitute a part of this Award Agreement or to affect the meaning of this Award Agreement.

**17. Additional Acknowledgements.** You hereby consent and acknowledge that:

(a) Participation in the Plan is voluntary and therefore you must accept the terms and conditions of the Plan and this Award Agreement and Grant Notice as a condition to participating in the Plan and receipt of this Award. This Award and any other awards under the Plan are voluntary and occasional and do not create any contractual or other right to receive future awards or other benefits in lieu of future awards, even if similar awards have been granted repeatedly in the past. All determinations with respect to any such future awards, including, but not limited to, the time or times when such awards

are made, the size of such awards and performance and other conditions applied to the awards, will be at the sole discretion of the Company.

(b) The future value of your Award is unknown and cannot be predicted with certainty. You do not have, and will not assert, any claim or entitlement to compensation, indemnity or damages arising from the termination of this Award or diminution in value of this Award and you irrevocably release the Company, its Affiliates and, if applicable, your employer, if different from the Company, from any such claim that may arise.

(c) The rights and obligations of the Company under your Award will be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder will inure to the benefit of, and be enforceable by, the Company's successors and assigns.

(d) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(e) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award and fully understand all provisions of your Award.

(f) This Award Agreement will be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(g) All obligations of the Company under the Plan and this Award Agreement will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and assets of the Company.

**18. Governing Plan Document.** Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Your Award (and any compensation paid or shares issued under your Award) is subject to recoupment in accordance with The Dodd–Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy otherwise required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to voluntarily terminate employment upon a resignation for “good reason,” or for a “constructive termination” or any similar term under any plan of or agreement with the Company.

**19. Effect on Other Employee Benefit Plans.** The value of the Award subject to this Award Agreement will not be included as compensation, earnings, salaries, or other similar terms used when calculating benefits under any employee benefit plan (other than the Plan) sponsored by the Company or any Affiliate except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any or all of the employee benefit plans of the Company or any Affiliate.

**20. Choice of Law.** The interpretation, performance and enforcement of this Award Agreement will be governed by the law of the State of Delaware without regard to that state's conflicts of laws rules.

**21. Severability.** If all or any part of this Award Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Award Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Award Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

**22. Other Documents.** You hereby acknowledge receipt of and the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Plan prospectus. In addition, you acknowledge receipt of the Company's insider trading policy permitting directors and employees to sell shares only during certain "window" periods, in effect from time to time.

**23. Amendment.** This Award Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Award Agreement may be amended solely by the Board by a writing which specifically states that it is amending this Award Agreement, so long as a copy of such amendment is delivered to you, and provided that, except as otherwise expressly provided in the Plan, no such amendment materially adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Board reserves the right to change, by written notice to you, the provisions of this Award Agreement in any way it may deem necessary or advisable to carry out the purpose of the Award as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change will be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

**24. Compliance with Section 409A of the Code.** This Award is intended to comply with the "short-term deferral" rule set forth in Treasury Regulation Section 1.409A-1(b)(4). Notwithstanding the foregoing, if it is determined that the Award fails to satisfy the requirements of the short-term deferral rule and is otherwise deferred compensation subject to Section 409A, and if you are a "Specified Employee" (within the meaning set forth in Section 409A(a)(2)(B)(i) of the Code) as of the date of your "separation from service" (within the meaning of Treasury Regulation Section 1.409A-1(h) and without regard to any alternative definition thereunder), then the issuance of any shares that would otherwise be made upon the date of the separation from service or within the first six (6) months thereafter will not be made on the originally scheduled date(s) and will instead be issued in a lump sum on the earlier of: (i) the fifth business day following your death, or (ii) the date that is six (6) months and one day after the date of the separation from service, with the balance of the shares issued thereafter in accordance with the original vesting and issuance schedule set forth above, but if and only if such delay in the issuance of the shares is necessary to avoid the imposition of adverse taxation on you in respect of the shares under Section 409A of the Code. Each installment of shares that vests is intended to constitute a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2).

**25. No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying shares of stock. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

**26. Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You

hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company and that such online or electronic participation shall have the same force and effect as documentation executed in written form.

**27. Language.** If you have received this Award Agreement, or any other document related to the Award and/or 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.

**28. Country Appendix.** Notwithstanding any provisions in this Award Agreement, the Award grant shall be subject to any special terms and conditions set forth in the Appendix to this Award Agreement for your country. Moreover, if you relocate to one of the countries included in the Appendix, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Award Agreement.

**29. Imposition of Other Requirements.** The Company reserves the right to impose other requirements on your participation in the Plan, on the Award and on any shares of stock acquired upon vesting of the Award, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

\* \* \* \* \*

This Award Agreement will be deemed to be signed by the Company and the Participant upon the signing or electronic acceptance by the Participant of the Restricted Stock Unit Grant Notice to which it is attached.

**MONGODB, INC.**  
**2016 EQUITY INCENTIVE PLAN**  
**AWARD AGREEMENT**  
**(RESTRICTED STOCK UNITS)**

This Appendix includes additional terms and conditions that govern the Award granted to you under the Plan if you reside in one of the countries listed below. Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan and/or the Award Agreement.

This Appendix also includes information regarding securities, exchange controls and certain other issues of which you should be aware with respect to participation in the Plan. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information in this Appendix as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time that the Award vests or you sell shares acquired under the Plan. In addition, the information contained herein is general in nature and may not apply to your particular situation and the Company is not in a position to assure a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation. Finally, if you are a citizen or resident of a country other than the one in which you are currently working, the information contained herein may not be applicable to you.

**ARGENTINA**

***Notifications***

**Securities Law Information**

You understand that neither the Awards nor the shares are publicly offered or listed on any stock exchange in Argentina. Therefore the offer of the Awards does not constitute a public offering as defined under Argentinian law. The offer is private and not subject to the supervision of any Argentinian governmental authority.

**Exchange Control Information**

If you transfer proceeds from the sale of shares and any cash dividends into Argentina, you may be subject to certain restrictions, including mandatory deposits. The Argentinian bank handling the transaction may request certain documentation in connection with the request to transfer sale proceeds into Argentina (*e.g.*, evidence of the sale, proof of the source of the funds used to purchase the shares, etc.). You are solely responsible for complying with the exchange control rules that may apply to you in connection with your participation in the Plan and/or transfer of proceeds from the sale of shares or receipt of dividends acquired under the Plan into Argentina. Prior to transferring funds into or out of Argentina, you should consult your local bank and/or exchange control advisor to confirm what will be required by the bank because interpretations of the applicable Central Bank regulations vary by bank and exchange control rules and regulations are subject to change without notice.

### Foreign Asset/Account Reporting Information

Argentinian residents must report any shares acquired under the Plan and held by the resident on December 31 of each year on their annual tax return for that year.

## AUSTRALIA

### Securities Law Information

The offering and resale of shares acquired under the Plan to a person or entity resident in Australia may be subject to disclosure requirements under Australian law. You should obtain legal advice regarding any applicable disclosure requirements prior to making any such offer.

### Offer of Stock Awards

The Board, in its absolute discretion, may make a written offer to an eligible person who is an Australian Resident (each such offeree being referred to in this Appendix A as a “Participant”) it chooses to accept an Award.

The offer shall specify the maximum number of shares subject to an Award which you may accept, the Date of Grant, the Expiration Date, the vesting conditions (if any), any applicable holding period and any disposal restrictions attaching to the Award or the resultant Common Stock (all of which may be set by the Board in its absolute discretion).

The offer is intended to receive tax deferred treatment under Subdivision 83A-C of the Income Tax Assessment Act 1997(Cth). The conditions to receive such treatment are contained in this Appendix A.

The offer shall be accompanied by an acceptance form and a copy of the Plan and this Appendix A or, alternatively, details on how you may obtain a copy of the Plan and this Appendix A.

### Grant of Awards

If you validly accept the Board’s offer of an Award, the Board must grant you an Award for the number of shares for which the Award was accepted. However, the Board must *not* do so if you have ceased to be an eligible person at the date when the Award is to be granted or the Company is otherwise prohibited from doing so under the *Corporations Act 2001*(Cth) (the “**Corporations Act**”) without a disclosure document, product disclosure statement or similar document.

The Company must provide an Award Agreement in respect of the Award granted to the Participant to be executed by the Participant as soon as practicable after the date of grant.

Awards granted to Participants under this Appendix A that are Options must not have an Expiration Date exceeding fifteen (15) years from the Date of Grant.

### Tax Deferred Treatment

*Ordinary shares.* Awards issued to a Participant under this Appendix A must relate to ordinary shares. For the purpose of this Appendix A, ordinary shares shall be defined in accordance with its ordinary meaning under Australian law.

*Predominant business of the Company.* Awards must not be issued to Participants where those Awards relate to Restricted Stock Units or shares in a company that has a predominant business of the acquisition, sale or holding of shares, securities or other investments.

*Real risk of forfeiture.* Awards that are Restricted Stock Units issued to a Participant under this Appendix A must have a real risk of forfeiture, the Vesting conditions by which this risk is achieved is to be determined by the Board in its absolute discretion.

*10% limit on shareholding and voting power.* Immediately after you acquire the Awards, you must not: (i) hold a beneficial interest in more than 10% of the shares in the Company; or (ii) be in a position to cast, or control the casting of, more than 10% of the maximum number of votes that might be cast at a general meeting of the Company. For the purposes of these thresholds, Awards that are Restricted Stock Units are treated as if they have been exercised and converted into Common Stock.

## **AUSTRIA**

### Securities Disclaimer

The participation in the Plan is exempt or excluded from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in Austria.

### Consumer Protection Information

You may be entitled to revoke the Award Agreement on the basis of the Austrian Consumer Protection Act (the “Act”) under the conditions listed below, if the Act is considered to be applicable to this Award Agreement and the Plan:

- (i) The revocation must be made within one week after the acceptance of the Award Agreement.
- (ii) The revocation must be in written form to be valid. It is sufficient if you return the Award Agreement to the Company or the Company’s representative with language that can be understood as your refusal to conclude or honor the Award Agreement, provided the revocation is sent within the period discussed above.

### Exchange Control Information

If you hold securities (including shares acquired under the Plan) or cash (including proceeds from the sale of shares and any cash dividends) outside of Austria (even if you hold them outside of Austria at a branch of an Austrian bank), you may be required to report certain information to the Austrian National Bank if certain thresholds are exceeded. You are encouraged to consult your personal legal or tax advisor to understand how these rules apply to your particular situation.

## **BELGIUM**

### Securities Disclaimer

The grant of this Award under the Plan is exempt from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in Belgium.

### Tax Withholding

Your employer is generally required to withhold income taxes or social insurances, as applicable, for the grant of this Award under the Plan.

## **BRAZIL**

### Nature of Grant

The following provisions supplement Section 17 of this Award Agreement.

By accepting this Award, you acknowledge, understand and agree that (i) you are making an investment decision, (ii) you will be entitled to vest in this Award, and receive shares of Common Stock pursuant to this Award, only if the vesting conditions are met and any necessary services are rendered by you between the grant date and the vesting date(s), and (iii) the value of the underlying shares of Common Stock is not fixed and may increase or decrease without compensation to you.

### Compliance with Law

By accepting this Award, you acknowledge, understand and agree to comply with applicable Brazilian laws and to pay any and all applicable taxes associated with the vesting and settlement of the Award, the receipt of any dividends, and the sale of shares of Common Stock acquired under the Plan.

### Exchange Control Information

If you are a resident or domiciled in Brazil, you will be required to submit an annual declaration of assets and rights held outside of Brazil, including any shares of Common Stock acquired under the Plan, to the Central Bank of Brazil if the aggregate value of such assets and rights equals or exceeds US\$100,000. Foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil.

### Tax on Financial Transaction

If you repatriate the proceeds from the sale of shares of Common Stock or receipt of any cash dividends and convert the funds into local currency, you may be subject to the Tax on Financial Transactions. It is your responsibility to pay any applicable Tax on Financial Transactions arising from participation in the Plan. You should consult with your personal tax advisor for additional details.

## **BULGARIA**

### ***Foreign Exchange Notice***

Foreign brokerage account balances in excess of BGN 50,000 on each December 31st must be reported to the Bulgarian National Bank by March 31st of the following calendar year. Moreover, for payments equal to or exceeding BGN 5,000, a statistical form must be submitted to the commercial bank handling the transaction.

### ***Securities Disclaimer***

The grant of the Award is exempt from the requirement to publish a prospectus under current rules as implemented in Bulgaria.

## CANADA

### Data Privacy

The following provision supplements Section 17 of the Award Agreement:

You hereby authorize the Company and its representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. You further authorize the Company, any Affiliates and any stock plan service provider that may be selected by the Company to assist with the Plan to disclose and discuss the Plan with their respective advisors. You further authorize the Company and any Affiliates to record such information and to keep such information in your employee file.

### Language Consent

The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

### *Consentement relatif à la langue utilisée*

*Les parties reconnaissent avoir exigé que cette convention («Agreement») soit rédigée en anglais, ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à la présente.*

### Foreign Asset/Account Reporting Information

Canadian residents are required to report any foreign property (e.g., shares of stock acquired under the Plan and possibly unvested Restricted Stock Units) on form T1135 (Foreign Income Verification Statement) if the total cost of their foreign property exceeds C\$100,000 at any time in the year, although the reporting requirements have been simplified if the cost is less than C\$250,000. It is your responsibility to comply with these reporting obligations, and you should consult your own personal tax advisor in this regard.

### Share Settlement of Award

Notwithstanding anything to the contrary in the Plan or this Award Agreement, Restricted Stock Units granted to Canadian Participants shall only be settled in shares of stock and shall not be settled in cash.

## DENMARK

### Securities Disclosure

The participation in the Plan is exempt or excluded from the requirement to publish a prospectus under current rules as implemented in Denmark.

### Labor/Employment

#### IMPORTANT – STATEMENT UNDER SECTION 3(1) OF THE ACT ON STOCK OPTIONS

Pursuant to Section 3(1) of the Act on Stock Options in employment relations (the "Stock Option Act"), you are entitled to receive information regarding the Plan in a separate written statement in Danish.

The full statement containing the information about your rights under the Plan and the Stock Option Act is attached as a separate written statement to this Award Agreement.

#### Taxation

The participation in the Plan is covered by the Danish Tax Assessment Act section 7P. The tax treatment is intended to be accordingly beneficial to the extent provided under law.

### **FINLAND**

#### Securities Disclaimer

The participation in the Plan is exempt or excluded from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in Finland.

### **FRANCE**

#### Awards Not Tax-Qualified

The Award is not intended to be a tax-qualified or tax-preferred award, including without limitation, under Sections L. 225-197-1 to L. 225-197-6 of the French Commercial Code. You are encouraged to consult with a personal tax advisor to understand the tax and social insurance implications of the Award.

#### Tax Withholding

As from January 1, 2019, vesting of the Award will give rise to income tax withholding in France.

#### Securities Disclaimer

The participation in the Plan is exempt or excluded from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in France.

#### Foreign Asset/Account Information

You may hold shares of stock acquired upon vesting of the Award, any proceeds resulting from the sale of shares of stock or any dividends paid on such shares of stock outside of France, provided you declare all foreign bank and brokerage accounts (including any accounts that were opened or closed during the tax year) with your annual income tax return. Failure to complete this reporting may trigger penalties.

### **GERMANY**

#### Securities Disclaimer

The participation in the Plan is exempt or excluded from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in Germany.

#### Exchange Control Information

Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*). In the event that you make or receive a payment in excess of this amount, you are required to report the payment to Bundesbank electronically using the "General Statistics Reporting Portal" ("*Allgemeines Meldeportal Statistik*") available via Bundesbank's website ([www.bundesbank.de](http://www.bundesbank.de)).

## HONG KONG

### Securities Law Notice

*WARNING: The Award and the shares of stock covered by the option do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company or its Affiliates participating in the Plan. You should be aware that the contents of the Award Agreement have not been prepared in accordance with and are not intended to constitute a “prospectus” for a public offering of securities under the applicable securities legislation in Hong Kong. Nor have the documents been reviewed by any regulatory authority in Hong Kong. The option is intended only for your personal use and may not be distributed to any other person. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of the Award Agreement, including this Appendix, or the Plan, you should obtain independent professional advice.*

### Sale of Shares

Any shares of stock received at vesting of the Award are accepted as a personal investment. In the event that any portion of this Award vests within six months of the grant date, you agree that you will not offer to the public or otherwise dispose of the shares of stock acquired prior to the six-month anniversary of the grant date.

### Occupational Retirement Schemes Ordinance Alert

The Company specifically intends that neither the Award nor the Plan will be considered or deemed an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance (“ORSO”).

## INDIA

### Exchange Control Information

You must repatriate to India all funds resulting from the sale of shares of stock within 90 days and all proceeds from the receipt of any dividends within 180 days. You will receive a foreign inward remittance certificate (“FIRC”) from the bank where you deposits the foreign currency. You should maintain the FIRC as evidence of the repatriation of funds in the event that the Reserve Bank of India or your employer requests proof of repatriation.

### Foreign Asset/Account Reporting Information

You are required to declare in your annual tax return your foreign financial assets (including shares of stock) and any foreign bank accounts. You understand that it is your responsibility to comply with this reporting obligation and are advised to confer with a personal tax advisor in this regard.

## IRELAND

### Taxation: General

The tax and social security consequences of participating in the Plan are based on complex tax and social security laws, which may be subject to varying interpretations, and the application of such laws may depend, in large part, on the surrounding facts and circumstances. Therefore, we recommend that you consult with your own tax advisor regularly to determine the consequences of taking or not taking any action concerning their participation in the Plan and to determine how the tax, social security or other laws in Ireland (or elsewhere) apply to your specific situation.

### Tax Withholding

The references in the Plan and in the Award Agreement, and in particular Clause 8(h) (Miscellaneous) of the Plan and Clauses 11 (Withholding Obligations) and 12 (Tax Consequences) of the Award Agreement, to “tax” or “taxes” includes any and all taxes, charges, levies and contributions in Ireland or elsewhere, to include, in particular, income tax (PAYE), Universal Social Charge (USC) and Pay Related Social Insurance (PRSI) (“**Taxes**”).

### Tax indemnity

The Participant shall be accountable for any Taxes, which are chargeable on any assessable income deriving from the grant, vesting of, or other dealing in Awards or Common Stock issued pursuant to an Award. The Company shall not become liable for any Taxes, as a result of your participation in the Plan. In respect of such assessable income, the Participant shall indemnify the Company and (at the direction of the Company) any Affiliate, which is or may be treated as the employer you in respect of the Taxes (the “**Tax Liabilities**”).

Pursuant to the indemnity referred to in the preceding paragraph, where necessary, you shall make such arrangements, as the Company requires to meet the cost of the Tax Liabilities, including at the direction of the Company any of the following:

- i. making a cash payment of an appropriate amount to the relevant company whether by cheque, banker's draft or deduction from salary in time to enable the Company to remit such amount to the Irish Revenue Commissioners before the 14th day following the end of the month in which the event giving rise to the Tax Liabilities occurred; or
- i. appointing the Company as agent and / or attorney for the sale of sufficient Common Stock, acquired pursuant to the grant, exercise, purchase, vesting or other dealing in Awards, or Common Stock issued pursuant to an Award to cover the Tax Liabilities and authorizing the payment to the relevant company of the appropriate amount (including all reasonable fees, commissions and expenses incurred by the relevant company in relation to such sale) out of the net proceeds of sale of the Common Stock.

### Company Law - Notification Obligation

If you are a director, shadow director or secretary of any Irish subsidiary of the Company, you are required to notify the Irish subsidiary in writing within five or eight days, depending on the circumstances involved, if you hold an interest in, or receive or dispose of an interest in the Company (which includes Restricted Stock Units). This notification requirement also applies with respect to the interests of a person's spouse, civil partner or children under the age of 18 (whose interests will be attributed to the director, shadow director or secretary). Where the shares or the stock options held amount to an interest in less than 1% of the nominal value of the Company's issued voting share capital, or do not carry the right to vote at the Company's general meetings, disclosure is not required. This exemption also applies to company secretaries.

### Securities Law

The grant of the Award is exempt or excluded from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in Ireland.

### Employment

You acknowledge that your terms of employment shall not be affected in any way by your participation of the Plan, which shall not form part of such terms (either expressly or impliedly). You acknowledge that your participation in the Plan shall be subject at all times to the rules of the Plan as may be amended from time to time (including, but not limited to, any claw back provisions). If on termination of your employment (whether lawfully, unlawfully, or in breach of contract) you lose any rights or benefits under the Plan (including any rights or benefits which you would not have lost had your employment not been terminated), you hereby acknowledge that you shall be entitled to (and hereby waive) any compensation for the loss of any rights or benefits under the Plan, or any replacement or successor plan.

The Plan is entirely discretionary and may be suspended or terminated by the Board at a time for any reason. Participation in the Plan is entirely discretionary and does not create any contractual or other right to receive future grants of options or benefits in lieu of options. All determinations with respect to future options will be at the entire discretion of the Board. Rights under the Plan are not pensionable.

### **ISRAEL**

Restricted Stock Units granted to employees of the Israeli subsidiary of the Company will be subject to the provisions of the Plan and the Appendix for Israeli Participants. Restricted Stock Units are meant to be granted under the trustee capital gains route pursuant to section 102(b)(2) and 102(b)(3) of the Israeli Income Tax Ordinance [New Version] 1961 (“**Section 102**”). Definitions not contained herein shall have the meaning given to them in the Appendix for Israeli Participants. In the event of any conflict, whether explicit or implied, between the provision of the Award Agreement and the Israeli Appendix, the provisions set out in the Israeli Appendix shall prevail.

In addition to the declarations included in the Grant Notice and the Award Agreement above, by accepting the grant of the Award (i) you authorize the Company to provide the Trustee with any information required for the purpose of administering the Plan including executing its obligations according to Section 102, the trust deed and the trust agreement, including without limitation information about your Restricted Stock Units, income tax rates, salary bank account, contact details and identification number, (ii) you agree to accept as binding, conclusive and final all decisions or interpretations of the Board upon any questions relating to the Plan and this Award Agreement, (iii) you are familiar with Section 102 and the regulations and rules promulgated thereunder, including without limitations the provisions of the applicable tax route, and agree to comply with such provisions, as amended from time to time, provided that if such terms are not met, Section 102 may not apply or I may be subject to tax at higher rates, (iv) you agree to the terms and conditions of the trust deed signed between the Trustee and the Company and/or the applicable Affiliate, including but not limited to the control of the Restricted Stock Units and Common Stock by the Trustee, (v) you acknowledge that releasing the Common Stock from the control of the Trustee prior to the termination of the Holding Period constitutes a violation of the terms of Section 102 and agree to bear the relevant sanctions.

#### Trust

The Restricted Stock Units and the Common Stock issued upon vesting or otherwise and/or any additional rights, including without limitation any right to receive any dividends or any shares received as a result of an adjustment made under the Plan, that may be granted in connection with the Restricted Stock Units (the “**Additional Rights**”) shall be issued to or controlled by the Trustee for your benefit under the provisions of Section 102 pursuant to the capital gains route for at least the period stated in Section 102 of the Ordinance and the Income Tax Rules (Tax Benefits in Share Issuance to Employees) 5763-2003 (the “**Rules**”). In the event the Restricted Stock Units or underlying shares of Common Stock do not meet the requirements of Section 102, such Restricted Stock Units and the underlying shares of Common Stock shall not qualify for the favorable tax treatment under the Capital Gains Route of Section

102. The Company makes no representations or guarantees that the Restricted Stock Units will qualify for favorable tax treatment and will not be liable or responsible if favorable tax treatment is not available under Section 102. Any fees associated with any vesting, sale, transfer or any act in relation to the Restricted Stock Units shall be borne by you and the Trustee and/or the Company and/or any Affiliate shall be entitled to withhold or deduct such fees from payments otherwise due to from the Company or an Affiliate or the Trustee. In accordance with the requirements of Section 102 and the Capital Gains Route, you shall not sell nor transfer the shares of Common Stock or Additional Rights from the Trustee until the end of the required Holding Period. Notwithstanding the above, if any such sale or transfer occurs before the end of the required Holding Period, the sanctions under Section 102 shall apply to and shall be borne by you.

#### Tax

Any and all taxes due in relation to the Restricted Stock Units and Common Stock, shall be borne solely by you. The Company and/or any Affiliate and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, you hereby agree to indemnify the Company and/or any Affiliate and/or the Trustee and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to you. The Company and/or any Affiliate and/or the Trustee, to the extent permitted by law, shall have the right to deduct from any payment otherwise due to you or from proceeds of the sale of the Common Stock, an amount equal to any Taxes required by law to be withheld with respect to the Common Stock. You will pay to the Company, any subsidiary or the Trustee any amount of taxes that the Company or any Affiliate or the Trustee may be required to withhold with respect to the Common Stock that cannot be satisfied by the means previously described. The Company may refuse to deliver the Common Stock if you fail to comply with your obligations in connection with the taxes as described in this section. The tax treatment of any Restricted Stock Units not guaranteed and although a Restricted Stock Unit may be granted under a certain tax route, they may become subject to a different tax route in the future.

### **ITALY**

#### Foreign Asset/Account Reporting Information

If you are an Italian resident who, at any time during the fiscal year, holds foreign financial assets (including cash and shares of stock) which may generate taxable income in Italy, you are required to report these assets on your annual tax return for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations also apply if you are the beneficial owner of foreign financial assets under Italian money laundering provisions.

#### Securities Disclaimer

The grant of the options is exempt from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in Italy.

### **JAPAN**

#### Foreign Exchange

Under certain circumstance, you may be required to file a report with the Ministry of Finance if you intend to acquire shares of stock whose value exceeds a certain amount. The reporting, if required, is due

within 20 days from the acquisition of the shares of stock (however, if you acquires such shares of stock through a securities company in Japan, such requirement will not be imposed). The reporting requirements vary depending on whether the relevant payment is made through a bank in Japan.

You are advised to seek appropriate professional advice as to how the exchange control regulations, tax or other laws in your country apply to your specific situation. Laws and regulations change frequently and occasionally on a retroactive basis.

#### Foreign Asset/Account Reporting Information

Japanese residents holding assets outside of Japan with a total net fair market value exceeding the legally designated amount (currently ¥50 million) are required to comply with annual tax reporting obligations with respect to such assets. You are advised to consult with a personal tax advisor to ensure that you are properly complying with applicable reporting requirements.

#### Securities Law Information

The Award and the shares of stock have not been registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948), as amended (the "FIEA"). The Award and the shares of stock issuable upon the vesting of Award may not be offered or sold in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan. As used herein, the term "resident of Japan" means any natural person having his or her place of domicile or residence in Japan, or any corporation or other entity organized under the laws of Japan or having its main office in Japan.

### **KOREA**

#### Foreign Assets Reporting Information

Korean residents must declare all foreign financial accounts (e.g., non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds KRW 1 billion (or an equivalent amount in foreign currency). You should consult your personal tax advisor to determine how to value your foreign accounts for purposes of this reporting requirement and whether you are required to file a report with respect to such accounts.

### **MEXICO**

#### Labor Law Acknowledgment

These provisions supplement Section 17 of the Award Agreement:

*Modification.* By accepting the Award, you understand and agree that any modification of the Plan or the Award Agreement or its termination shall not constitute a change or impairment of the terms and conditions of your employment.

*Policy Statement.* The grant of the Award made under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company with registered offices at 229 W. 43<sup>rd</sup> Street, 5<sup>th</sup> floor, NY, NY, 10036, United States of America, is solely responsible for the administration of the Plan and participation in the Plan and the acquisition of shares of stock does not, in any way, establish an employment relationship between you and the Company since you are participating in the Plan on a wholly commercial basis and your sole employer is the Company's Mexican Affiliate, nor does it establish any rights between you and your employer.

#### Plan Document Acknowledgment

By accepting the grant of Award, you acknowledge that you have received copies of the Plan, have reviewed the Plan and the Award Agreement in their entirety and fully understand and accept all provisions of the Plan and the Award Agreement.

In addition, by signing the Award Agreement, you further acknowledge that you have read and specifically and expressly approve the terms and conditions in Section 11 of the Award Agreement ("Nature of Grant"), in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) none of the Affiliates or the Company is responsible for any decrease in the value of the shares of stock underlying the options.

Finally, you hereby declare that you do not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of your participation in the Plan and therefore grant a full and broad release to the employer, the Company and any Affiliates with respect to any claim that may arise under the Plan.

### **NETHERLANDS**

#### Prohibition Against Insider Trading

You should be aware of the Dutch insider trading rules, which may affect the sale of shares acquired under the Plan. In particular, you may be prohibited from effecting certain share transactions if you have insider information regarding the Company. Below is a discussion of the applicable restrictions. You are advised to read the discussion carefully to determine whether the insider rules could apply to you. If it is uncertain whether the insider rules apply, the Company recommends that you consult with a legal advisor. The Company cannot be held liable if you violate the Dutch insider trading rules. You are responsible for ensuring your compliance with these rules.

Dutch securities laws prohibit insider trading. As of 3 July 2016, the European Market Abuse Regulation (MAR), is applicable in the Netherlands. For further information, Participant is referred to the website of the Authority for the Financial Markets (AFM): <https://www.afm.nl/en/professionals/onderwerpen/marktmisbruik>.

Given the broad scope of the definition of inside information, certain employees of the Company working at its Dutch Affiliate may have inside information and thus are prohibited from making a transaction in securities in the Netherlands at a time when they have such inside information. By entering into this Award Agreement and participating in the Plan, you acknowledge having read and understood the notification above and acknowledge that it is your responsibility to comply with the Dutch insider trading rules, as discussed herein.

#### Securities Disclaimer

The grant of the Award is exempt or excluded from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in the Netherlands.

## **POLAND**

### ***Notifications***

#### Securities Disclaimer

The grant of Award under the Plan is exempt from the requirement to publish a prospectus under the EU Prospectus Regulation as implemented in Poland.

#### Exchange Control Information

If you hold foreign securities (including shares of Common Stock) and maintain accounts abroad, you may be required to file certain reports with the National Bank of Poland. Specifically, if the value of securities and cash held in such foreign accounts exceeds PLN 7 million, you must file reports on the transactions and balances of the accounts on a quarterly basis. Further, any fund transfers in excess of €15,000 (or PLN 15,000 if such transfer of funds is connected with business activity of an entrepreneur) into or out of Poland must be effected through a bank in Poland. Polish residents are required to store all documents related to foreign exchange transactions for a period of five years.

#### Employment

In order to meet the requirements of the Plan you shall authorize your employer:

- i. to make relevant deductions from your remuneration,
- i. to notify the Company about events relevant for your right to continue to participate in the Plan.

## **PORTUGAL**

#### Exchange Control

If you receive shares upon vesting of the Award, the acquisition of the shares should be reported to the Banco de Portugal for statistical purposes. If the shares are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report on your behalf. If the shares are not deposited with a commercial bank or financial intermediary in Portugal, you are responsible for submitting the report to the Banco de Portugal.

#### Securities Disclaimer

The grant of the Award is exempt or excluded from the requirement to publish a prospectus under EU Prospectus Regulation as implemented in Portugal.

## **SINGAPORE**

#### Securities Law Information

The grant of the Award is being made pursuant to the “Qualifying Person” exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that the Award is subject to section 257 of the SFA and you will not be able to make any subsequent sale

in Singapore of the shares acquired through the vesting of the Award or any offer of such sale in Singapore unless such sale or offer is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

#### Director Notification Obligation

If you are a director, associate director or shadow director of a Singapore Affiliate, you are subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Affiliate in writing when you receive an interest (*e.g.*, restricted stock units or share of stock) in the Company or any Affiliate. In addition, you must notify the Singapore Affiliate when you sell shares of the Company or any Affiliate (including when you sell shares acquired through the vesting of Award). These notifications must be made within two business days of acquiring or disposing of any interest in the Company or any Affiliate. In addition, a notification must be made of your interests in the Company or any Affiliate within two business days of becoming a director.

## **SPAIN**

#### Labor Law Acknowledgment

The following provision supplements Section 17 of the Award Agreement:

In accepting the Award, you consent to participate in the Plan and acknowledge that you have received a copy of the Plan.

You understand and agree that the Company has unilaterally, gratuitously and discretionally decided to grant the Award under the Plan to individuals who may be employees of the Company and any Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any Affiliates, over and above the specific terms of the Plan. Consequently, you understand that the Award is granted on the assumption and condition that the Award and any shares of stock issued upon vesting of the Award are not part of any employment contract (either with the Company or any Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, you understand that the Award would not be granted to you but for the assumptions and conditions referred to herein; thus, you acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then the grant of the Award and any right to the Award shall be null and void.

Further, the vesting of the Award is expressly conditioned on your continued employment, such that upon termination of employment, the Award may cease vesting immediately, effective on the date of your termination of employment (unless otherwise specifically provided in the Award Agreement and/or the Plan). In particular, you understand and agree that any non-vested Awards as of the date you are no longer actively employed or in service (unless otherwise specifically provided in the Award Agreement and/or the Plan) will be forfeited without entitlement to the underlying shares of stock or to any amount of indemnification in the event of termination of your employment by reason of, but not limited to, resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective dismissal adjudged or recognized to be without cause, individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer and under Article 10.3 of the Royal Decree 1382/1985.

### Securities Disclaimer

The grant of the Award is exempt from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in Spain. The grant of the Award and the shares of stock issued pursuant to the vesting of the Award are considered a private placement outside the scope of Spanish laws on public offerings and issuances of securities. Neither the Plan nor the Award Agreement have been registered with the *Comisión Nacional del Mercado de Valores* and do not constitute a public offering prospectus.

### Exchange Control Information

The acquisition, ownership and disposition of shares of Stock and must be declared for statistical purposes to the *Dirección General de Comercio e Inversiones* (the “DGCI”), which is a department of the Ministry of Economy and Competitiveness. If you acquire shares of stock through the use of a Spanish financial institution, that institution will automatically make the declaration to the DGCI for you; otherwise, you will be required make the declaration by filing the appropriate form with the DGCI. Generally, the declaration must be made in January for shares of Stock owned as of December 31 of the prior year; however, if the value of shares of stock acquired or sold exceeds a designated threshold (or you hold 10% or more of the capital of the Company or such other amount that would entitle you to join the Company’s board of directors), the declaration must be filed within one (1) month of the acquisition or sale, as applicable.

### Foreign Asset/Account Reporting Information

To the extent you hold rights or assets outside of Spain with a value in excess of €50,000 per type of right or asset (*e.g.*, shares of stock, cash, etc.) as of December 31 each year, such resident will be required to report information on such rights and assets on your annual tax return for such year. After such rights and assets are initially reported, the reporting obligation will apply for subsequent years only if the value of any previously-reported rights or assets increases by more than €20,000.

Further, you will be required to electronically declare to the Bank of Spain any securities accounts (including brokerage accounts held abroad), as well as the securities (including shares of Stock acquired under the Plan) held in such accounts if the value of the transactions for all such accounts during the prior tax year or the balances in such accounts as of December 31 of the prior tax year exceed €1,000,000.

Further, you are required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including shares of stock acquired under the Plan), and any transactions with non-Spanish residents (including any payments of cash or shares of stock made to you under the Plan) if the balances in such accounts together with the value of such instruments as of December 31, or the volume of transactions with non-Spanish residents during the relevant year, exceed €1,000,000.

## **SWEDEN**

### Securities Disclosure

Your participation in the Plan and the grant of the Award are exempt from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in Sweden.

### Exchange Control

You understand and agree that foreign and local banks or financial institutions (including brokers) engaged in cross-border transactions generally may be required to report any payments to or from a foreign country exceeding a certain amount to The National Tax Board, which receives the information

on behalf of the Swedish Central Bank (Sw.Riksbanken). This requirement may apply even if you have a brokerage account with a foreign broker.

#### **SWITZERLAND**

##### Securities Law Notification

The grant of the Award is considered a private offering and therefore is not subject to securities registration in Switzerland.

#### **TAIWAN**

##### Securities Disclaimer

Neither the Plan nor the Award are registered in Taiwan with the Securities and Futures Bureau or subject to the securities laws of Taiwan.

#### **UNITED ARAB EMIRATES**

##### Securities Law Information

Participation in the Plan is being offered only to selected recipients and is in the nature of providing equity incentives to recipients in the United Arab Emirates. The Plan and the Award Agreement are intended for distribution only to such recipients and must not be delivered to, or relied on by, any other person. Prospective purchasers of the securities offered should conduct their own due diligence on the securities.

If you do not understand the contents of the Plan and the Award Agreement, you should consult an authorized financial adviser. The Emirates Securities and Commodities Authority and the Dubai Financial Services Authority have no responsibility for reviewing or verifying any documents in connection with the Plan. Neither the Ministry of Economy nor the Dubai Department of Economic Development have approved the Plan or the Award Agreement nor taken steps to verify the information set out therein, and have no responsibility for such documents.

#### **UNITED KINGDOM**

##### Securities Disclaimer

The grant of the Award is exempt from the requirement to publish a prospectus under the EU Prospectus Directive as implemented in the UK.

This Award Agreement is not an approved prospectus for the purposes of section 85(1) of the Financial Services and Markets Act 2000 ("FSMA") and no offer of transferable securities to the public (for the purposes of section 102B of FSMA) is being made in connection with the Plan. The Plan and the Award s are exclusively available in the UK to bona fide employees and former employees and any other UK Subsidiary.

## List of Subsidiaries of MongoDB, Inc.

Name of Subsidiary	Jurisdiction
MongoDB Limited	Ireland

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-221028, 333-224058, 333-230661 and 333-237570) of MongoDB, Inc. of our report dated March 22, 2021 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

San Jose, California  
March 22, 2021







