Elastic N.V.

Dutch Statutory Board Report and Financial Statements
April 30, 2026
Amsterdam

DUTCH STATUTORY BOARD REPORT

INTRODUCTION

Preparation

This Dutch Statutory Board report (the "Report") has been prepared by Elastic's management and has been approved by Elastic's board of directors (the "Board" or the "board of directors") pursuant to Section 2:391 of the Dutch Civil Code ("DCC"). It contains (i) Elastic's Dutch statutory financial statements as defined in Section 2:361(1) DCC and (ii) the information to be added pursuant to Section 2:392 DCC (to the extent relevant). The financial statements included in this Report have been prepared in accordance with the International Financial Reporting Standards, as adopted by the European Commission ("IFRS"). The report of Elastic's independent auditor, PricewaterhouseCoopers Accountants N.V., is included in section "Other Information".

General

All information presented herein is based on our fiscal calendar. Unless otherwise stated, references to particular years, quarters, months or periods refer to Elastic's fiscal years ended April 30 and the associated quarters, months and periods within those fiscal years. We refer to our fiscal year ended April 30, 2026 as "fiscal 2026" and to our fiscal year ended April 30, 2025 as "fiscal 2025."

Forward-Looking Statements

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

- our business strategy and our plan to build our business;
- the impact of macroeconomic conditions, including declining rates of economic growth, inflationary pressures, changing interest rates, changes in U.S. federal spending, evolving international trade policies and environments, and other conditions discussed in this report on information technology ("IT") spending, sales cycles, and other factors affecting the demand for our offerings and our results of operations;
- our product offerings, initiatives, and investments involving artificial intelligence ("AI") as well as the competitive landscape, market understanding and valuation, and regulatory scrutiny of AI technologies;
- our future financial performance, including our expectations regarding our revenue, cost of revenue, gross profit or gross margin, operating expenses (which include changes in sales and marketing, research and development, and general and administrative expenses), and our ability to achieve and maintain profitability;
- our ability to continue to deliver and improve our offerings and successfully develop new offerings;
- customer acceptance and purchase of our existing offerings and new offerings, including expanding adoption of our cloud-based offerings;
- the impact of geopolitical conditions and turmoil on our business and on the businesses of our customers and partners, including their spending priorities;
- the impact that increased adoption of consumption-based arrangements could have on our revenue or operating results;
- the impact of changes to our licensing of our products, particularly Elasticsearch and Kibana;
- our assessments of the strength of our solutions and products;
- our service performance and security, including the resources and costs required to prevent, detect, and remediate potential cybersecurity incidents and other information security breaches;
- our ability to maintain and expand our user and customer base;
- continued development of the market for our products;
- competition from other products and companies with more resources, recognition, and presence in our industry;
- the impact of foreign currency exchange rate and interest rate fluctuations on our results;

- the pace of change and innovation in the markets in which we operate, including the rapid evolution of technology affecting our offerings and platform, such as AI, and the competitive nature of those markets;
- our ability to effectively manage our growth, including any changes to our pace of hiring;
- our international expansion strategy;
- our strategy of acquiring complementary businesses and our ability to successfully integrate acquired businesses and technologies;
- the impact of acquisitions on our future product offerings;
- our objectives and expectations for future operations;
- our relationships with and reliance on third parties, including partners;
- our ability to protect our intellectual property rights;
- our ability to develop our brands;
- the impact on our results of operations of expensing stock options and other equity awards;
- the adequacy of our capital resources;
- our ability to successfully defend litigation brought against us;
- our ability to successfully execute our go-to-market strategy, including the positioning of our solutions and products, and to expand in our existing markets and into new markets;
- the adequacy of our liquidity sources to meet our cash requirements for at least the next 12 months and thereafter;
- our ability to comply with laws and regulations that currently apply or may become applicable to our business, both in the United States and internationally;
- the impact that changes in tax laws could have on our estimated effective tax rates;
- our ability to attract and retain qualified employees and key personnel;
- the effect of the loss of key personnel;
- our expectations about the impact of natural disasters and public health epidemics and pandemics on our business, results of operations, and financial condition;
- the seasonality of our business;
- the future trading prices of our ordinary shares;
- the expected timing, amount, and effect of our share repurchases; and
- our ability to service our debt obligations.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions. These statements are based upon information available to us as of the date of this Report, and while we believe this information forms a reasonable basis for such statements, the 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 subject to the risks and other factors described in the section titled “Risk Management and Risk Factors” and elsewhere in this Report. Among other limitations, our forward-looking statements may not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments that we may make. As a result, investors are cautioned not to place undue reliance on any forward-looking statements.

The forward-looking statements made in this Report relate only to events or circumstances on the date as of which such statements are made. We undertake no obligation to update any forward-looking statements after the date as of which they are made or to conform such statements to actual results or revised expectations, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements.

COMPANY AND BUSINESS OVERVIEW

Elastic, the Search AI Company, enables its customers to transform data into answers, actions, and outcomes with Search AI. While search technology revolutionized information retrieval through its ability to instantly return relevant results from massive datasets, it struggles when it comes to understanding context and generating insights. AI, on the other hand, excels at analyzing complex patterns and generating insights, but it lacks the ability to find and access specific information within vast data stores. The Elasticsearch Platform (“our platform”) combines the precision of search with the intelligence of AI to help our customers and community solve real-time business problems, unlock potential value, and achieve better outcomes. Our platform, available as either a cloud service or a self-managed software, allows our customers to find insights and drive AI and machine learning use cases from large amounts of data.

We offer three Elasticsearch-powered solutions—Search & AI, Elastic Observability, and Elastic Security—that are built on our platform. We help organizations, their employees, and their customers find what they need faster, while keeping mission-critical applications and infrastructure running smoothly and protecting against cyber threats.

As digital transformation continues to drive mission-critical business functions towards increasingly complex data landscapes, we believe that every company must incorporate search AI capabilities across information technology ("IT") and line-of-business organizations to find the answers that matter from all of its data in real time and at scale.

Our platform is able to ingest data from any source, in any format, and perform search, analysis, and visualization of that data. With Elasticsearch at its core, our platform is a highly scalable document store, columnar database, and search engine and is the unified data store for all of our solutions and use cases. Featuring a common, solution-agnostic user interface with an embedded AI agent and support for third-party AI agents, our platform offers powerful drag-and-drop visual analytics, centralized management capabilities, and the world's most downloaded open source vector database, which gives developers a full suite of sophisticated retrieval algorithms and the ability to integrate with large language models (“LLM”). It delivers the comprehensive set of capabilities developers need to build, maintain, and secure next-generation applications and services. In addition, our out-of-the-box solutions (Elastic Observability and Elastic Security) deliver fast time-to-value for common use cases and, paired with our developer-centric platform, which is extensible and customizable, allow us to innovate quickly and differentiate our offerings at every level.

We make our platform available as a service across major cloud providers (consisting of Amazon Web Services (“AWS”), Google Cloud Platform (“GCP”), and Microsoft Azure (“Azure”)) in more than 55 public cloud regions globally. Customers can also deploy our platform across hybrid clouds, public or private clouds, and multi-cloud environments.

Our business model is based primarily on a combination of paid service offerings (Elastic Cloud Hosted and Elastic Cloud Serverless) and free and paid proprietary self-managed software (Elastic Self-Managed). Our paid offerings for our platform are sold via subscription through resource-based pricing, and all customers and users have access to varying levels of features across all solutions. In Elastic Cloud, our family of cloud-based offerings, we offer various subscription tiers tied to different features. For users who download our software, we make some of the features of our software available free of charge, allowing us to engage with a broad community of developers and practitioners and introduce them to the value of our platform.

We believe in the importance of an open software development model, and we develop the majority of our software in public repositories under an open source GNU Affero General Public License v3 (“AGPL”) license, as well as under a proprietary license. Unlike some companies, we do not build an enterprise version that is separate from our free distribution. We maintain a single code base across both our self-managed software and Elastic-hosted services. All of these actions help us build a powerful commercial business model that we believe is optimized for product-driven growth. Elastic has always been committed to open source and an open development process with transparent and direct engagement with our community. The core of Elasticsearch and Kibana (a user interface) are open source under an AGPL license, and our open source code is housed in public repositories.

Our customers often significantly expand their usage of our products and services over time. Expansion includes increasing the number of developers and practitioners using our products, increasing the utilization of our products for a particular use case, and utilizing our products to address new use cases. We focus some of our direct sales efforts on encouraging this type of expansion within our customer base, both within as well as across solutions. Because our business model provides access to all solutions with resource-based pricing, we make it easy for customers to expand across use cases.

Our business has experienced significant growth around the world. Our total revenue was $1.7 billion and $1.5 billion for the years ended April 30, 2026 and 2025, respectively, representing year-over-year growth of 17% for the year ended April 30, 2026. Subscriptions accounted for 94% of our total revenue for the year ended April 30, 2026 and 93% for the year ended April 30, 2025. Revenue from outside the Netherlands accounted for 97% of our total revenue for the years ended April 30, 2026 and 2025, respectively.

We recorded net income of $337.1 million for the year ended April 30, 2026 and a net loss of $124.5 million for the year ended April 30, 2025. The significant increase in net income compared to the prior year was driven primarily by the recognition of previously unrecognized deferred tax assets in the Netherlands, the United Kingdom, and California for $390.5 million, $23.9 million, and $20.4 million, respectively, partially offset by tax expense in other jurisdictions. We had accumulated losses of $934.3 million as of April 30, 2026 due to losses in all but two of our prior years. Future results are dependent on our ability to achieve and maintain profitability annually and on a consistent basis. Our net cash provided by operating activities was $289.9 million and $240.0 million for the years ended April 30, 2026 and 2025, respectively.

Our Products

Our products enable our customers and users to find relevant information and insights nearly instantly in large amounts of data across a broad range of business and consumer use cases.

Our platform includes a powerful set of solutions able to ingest and store data from any source, in any format, and perform search, analysis, and visualization, usually in milliseconds. Our platform can be used by developers and IT decision makers to power a variety of use cases. We also offer software solutions built on our platform that address a wide variety of use cases. Our platform and each of our solutions (Search & AI, Elastic Observability, and Elastic Security) are designed to run as self-managed software or as a cloud service (in public or private clouds, in hybrid environments, or in multi-cloud environments).

Elasticsearch Platform

At its core, our platform is powered by Elasticsearch—a distributed, real-time vector database and analytics engine and data store for all types of data, including textual, numerical, geospatial, structured, and unstructured. Our platform includes a user interface (known as “Kibana”) that is the visualization layer for data stored in Elasticsearch; this layer is also the management and configuration interface for all parts of our platform.

Elastic has spent years infusing its platform with a strong foundational suite of AI and machine learning capabilities—from support for external machine learning models to native vector search capabilities, supervised and unsupervised machine learning, and solution capabilities that improve search relevance and identify anomalies. Elastic enables organizations by providing the most complete data platform for context engineering and AI. Our commitment to transparency and flexibility ensures that organizations have the visibility and control necessary to integrate AI into workflows with confidence.

Paid features enable capabilities such as automating anomaly detection on time-series data at scale through machine learning, generating embeddings using state-of-the-art models, and performing inference with LLMs. Our platform further facilitates compliance with data security and privacy regulations, supporting search across low-cost cold and frozen data tiers, and allowing real-time notifications and alerts. The source code of features included as part of our platform is generally visible to the public in the form of “open source.”

Our Solutions

We have built a number of solutions into our platform to make it easier for organizations to use our software for common use cases. Our solutions include the following:

- **Search & AI.** Powered by Elasticsearch, Search & AI includes context engineering and AI, combining a scalable distributed data store, vector database, hybrid search, embedding and reranking AI models, and an agent builder. Elasticsearch simplifies building search, AI, and agentic applications by unifying structured and unstructured data, along with vectors into a single, low-latency engine that delivers precise relevance. Built for production, Elasticsearch scales with near real-time performance and cost efficiency, powering high-throughput ingestion and supporting petabyte-scale datasets.
- **Elastic Observability.** Our agentic observability platform brings logs, metrics, and traces into a unified datastore so SRE/Operations teams and AI agents can investigate, correlate, and resolve issues across applications, networks, and infrastructure. Observability includes log analytics, to search, analyze, and visualize petabytes of structured and unstructured logs; infrastructure monitoring, for visibility across cloud, on-premises, Kubernetes, serverless, and hosts; Application Performance Monitoring (“APM”), support for native production-grade OpenTelemetry without proprietary agents and broad language support to pinpoint code issues and debug faster; digital experience monitoring, to improve user experience with synthetic testing and real user monitoring (“RUM”); Streams, which parse and structure raw telemetry data without rebuilding pipelines and Significant Events, which surface critical errors, anomalies, and system changes, cutting time to root cause and giving AI agents the grounded context they need to triage alerts, run investigations, and propose remediations; and LLM observability, to track latency, errors, prompts, responses, usage, and costs across major LLM services and agent frameworks.

- **Elastic Security.** Elastic Security is an agentic security operations platform where agents handle the full lifecycle from data ingestion through response, and human analysts handle judgment, verification, and approval. Built on the Elasticsearch data and AI platform, it provides unified protection to prevent, detect, and respond to threats. The solution combines Security Information and Event Management ("SIEM"), Extended Detection and Response ("XDR"), endpoint security with third-party integrations and first-party protections, cloud security, and native Security Orchestration, Automation, and Response ("SOAR") capabilities in a single platform, with integrations across network, host, user, cloud, and endpoint data sources. It enables investigations, incident management, shareable analytics, and workflow automation with AI-driven detection, investigation, and response.

Our Deployment Options

Our platform is available either as self-managed software or a cloud service. With Elastic Self-Managed, users can also download and manage their own deployments of our platform and our solutions. To help with more complex deployment scenarios, we offer paid proprietary products to deliver centralized provisioning, management, and monitoring across multiple deployments. Elastic Cloud, our family of cloud-based offerings (including both Elastic Cloud Hosted and Elastic Cloud Serverless) is hosted on major public cloud providers. We also partner with other cloud providers such as Amazon, Google, and Microsoft, who offer our software to users on their cloud platform as a hosted offering.

Strengths of our Products

The strengths of our products include the following:

- **Speed.** Our platform can find matches for search criteria in milliseconds within even the largest structured and unstructured datasets. Its schemaless structure and inverted indices enable real-time search of high volumes of structured, unstructured, and time series data.
- **Scale.** Our platform is a distributed system and can scale. It has the ability to subdivide search indices into multiple pieces called shards, which enables data volume to be scaled horizontally and operations to be distributed across hundreds of systems or more. A developer running hundreds of nodes has the same user experience as a developer running a single node on a laptop.
- **Relevance.** Our platform uses multiple analytical techniques, including both traditional and AI-powered relevance techniques, to determine the similarity between stored data and queries, generating highly relevant results reflecting a deep understanding of text and context. Its sophisticated yet developer-friendly query language permits advanced search and analytics. Additionally, the speed of our platform permits query iteration, further enhancing the relevance of search results.
- **Ease of Use.** Our platform is engineered to take a user from data to dashboard or inquiry to insight in minutes. It offers an easy getting-started experience, featuring streamlined download and deployment, sensible defaults, a simple and intuitive query language, and no need to define a schema up front. Administrative tasks such as securing the platform are intuitive and integrated into the user experience, as are investigative tasks such as data visualization.
- **Flexibility.** Our platform is able to ingest, filter, store, search, and analyze data in any form, whether structured or unstructured. These capabilities enable our platform to generate insights from a wide variety of data sources for a broad range of use cases. The flexibility of our platform also enables users to begin using our products along with their existing systems, which lowers barriers to adoption.
- **Extensibility.** Our platform can be used by developers as a foundation for addressing a wide variety of use cases. Our open approach to building our platform empowers developers to innovate and utilize it to fit their specific needs. Additionally, our developer community actively engages with us to improve and expand our platform.

Our Growth Strategies

We pursue the following growth strategies:

- **Extend our product leadership through continued investment in our technology.** We continue to invest in our platform, solutions, and services to extend into new use cases, industries, geographies, and customers. We regularly deliver new and enhanced capabilities to our customers, such as the enhanced AI technology integrated in our platform, through regular releases, to which everyone has access based on our subscription model. We continue to offer comprehensive AI capabilities in several key areas, providing organizations with tools and infrastructure to leverage AI, including vector search capabilities, inference and retrieval application programming interfaces (“APIs”), embedding and relevance models, agentic workflows, data ingestion, data management, and domain-specific applications. We view our AI capabilities as a major competitive differentiator for our products and intend to continue to invest in additional features and functionality related to AI. We also offer Elastic Cloud Serverless, a fully-managed, stateless architecture that auto-scales with customer usage. We manage the underlying deployment and customers benefit from automatic upgrades. Our technology investments include foundational platform capabilities as well as solution enhancements for our target use cases.
- **Increase product adoption by improving ease of use and growing our user community.** With our engineering efforts focused on the user experience, we continue to develop software that makes our products easier to use and adopt for both developers and non-developers. We plan to continue to engage with developers globally to grow our user community through a wide range of touch points such as community meetups, global community groups, hackathons, our global events, our user conferences, which we call ElasticON, and engagement on our website, user forums, and code repositories.
- **Expand our customer base by acquiring new customers.** We engage our community and our partners to drive awareness and invest in our sales and marketing team to grow our customer base. We offer varied deployment options, including Elastic Self-Managed, Elastic Cloud Hosted, and Elastic Cloud Serverless, to cater to a wide range of customer use cases. Our sales and marketing team conducts campaigns to drive further awareness and adoption within the user community. As a result, many of our sales prospects, including those in executive-level conversations, are already familiar with our technology before entering into a commercial relationship with us. Additionally, we leverage our network of partners to drive awareness and expand our sales and marketing reach to target new customers.
- **Expand within our existing customer base through new use cases and larger deployments.** We continue to invest in helping users and customers be successful with our products. We view initial success with our products as a path to drive expansion to new use cases and projects and larger deployments within organizations. We often enter an organization through a single use case or solution. Because of the rapid success with our products, knowledge of Elastic often spreads within an organization to new teams of developers, architects, IT operations personnel, security personnel, and senior executives, leading to more use cases for our products and solutions, and larger deployments at higher commitment levels.
- **Expand our penetration in enterprise and commercial customer accounts.** Using a sales-led motion, we continue to target strategic enterprise and high-propensity commercial customers with our sales teams. We meet our customers where they are, selling Elastic Self-Managed, Elastic Cloud Hosted, and Elastic Cloud Serverless deployments, focusing on high-value existing and new customers.
- **Expand our strategic and regional partnerships.** We continue to pursue partnerships to further the development of our platform and our customer reach. Our partners assist us in driving awareness of Elastic and our products, using our platform to address customer requirements, and extending our reach in geographic areas and verticals where we do not have a formal sales presence.
- **Selectively pursue strategic acquisitions.** We intend to continue to pursue acquisitions selectively. Since inception, we have selectively pursued strategic acquisitions to drive product and market expansion. The focus of our most recent acquisitions has been to enhance the technology underlying our Security and Observability offerings.

Customers

Organizations of all sizes, across many industries, including enterprises, educational institutions and government entities, purchase our products for a variety of use cases. As of April 30, 2026, we had approximately 24,000 customers compared to approximately 21,500 customers as of April 30, 2025. One customer, a channel partner, accounted for 11% of total revenue for the years ended April 30, 2026 and 12% of total revenue for the year ended April 30, 2025.

Seasonality

We have experienced quarterly fluctuations and seasonality in our sales and results of operations based on our entry into agreements with new and existing customers, customer usage patterns for our consumption-based arrangements, and the mix between annual and monthly contracts entered into in each reporting period. Seasonality in our sales cycle generally reflects a trend toward the highest sales in our fourth fiscal quarter and lowest sales in our first fiscal quarter. We believe this seasonality might become more pronounced as we continue to target large enterprise customers.

Research and Development

We intend to continue to invest in our research and development capabilities to extend our products. Research and development expense totaled $453.7 million and $361.6 million for the years ended April 30, 2026 and 2025, respectively. We plan to continue to devote significant resources to research and development.

Our engineering organization focuses on enhancing existing products and developing new features that are easy to use and can be run in any environment, including in public or private clouds, in hybrid environments, or in multi-cloud environments. With a globally distributed engineering team, we are able to recruit, hire, and retain high-quality, experienced developers, technology leads, and product managers, and operate at a rapid pace to drive product releases, fix bugs, and create new product offerings.

Our software development process is based on iterative releases of our platform. We are organized in small functional teams with a high degree of autonomy and accountability, leveraging AI software development tools to accelerate our time-to-market. Our distributed and highly modular team structure and well-defined software development processes also allow us to successfully incorporate acquired technologies.

Sales and Marketing

We make it easy for users to begin using our products in order to drive rapid adoption. Users can either sign up for a free trial on Elastic Cloud or download our software directly from our website without any sales interaction and immediately begin using the full set of features. Users can also sign up for Elastic Cloud through public cloud marketplaces.

With our business model, where users can download and use many of our features free of charge, our sales prospects are often already familiar with or using our platform. We conduct low-touch campaigns to keep users and customers engaged once they have begun using our software. This process includes providing high-quality content, documentation, webinars, videos, and blogs through our website. We also drive high-touch engagement with qualified prospects and customers to drive further awareness, adoption, and expansion of our products with paid subscriptions. Many of these customers start with limited initial spending on our products but can significantly increase their spending over time.

Our sales teams are organized primarily by geography and secondarily by customer segments. We rely on inside sales development representatives to qualify leads based on the likelihood they will result in a purchase. We pursue sales opportunities both through our direct sales force and with the assistance of our partners, including through cloud marketplaces. Our relationships within customer organizations often extend beyond the initial users of the technology and include technology and business decision-makers at various levels. We also engage with our customers on an ongoing basis through a customer success team to ensure customer satisfaction and expand their use of our technology.

Partners

We maintain partner relationships that help us market and deliver our products to our customers and complement our community. Our partner relationships include the following:

- **Cloud providers.** We work with many of the major cloud providers to increase awareness of our products and make it easy to access our software. We partner with Amazon, Google, and Microsoft to offer Elastic Cloud on AWS, GCP, and Azure, respectively, through direct purchase from us or their respective marketplaces. We also partner with other cloud providers to offer our free and paid proprietary features to users on their cloud platforms.
- **Systems integrators, channel partners, and referral partners.** We have a global network of systems integrators, channel partners, and referral partner relationships that help deliver our products to business and government customers around the world.
- **OEM and MSP partners.** Our OEM and MSP partners embed an Elastic subscription into the products or services they offer to their customers. OEM and MSP partners are able to include Elastic’s proprietary features in their product, receive ongoing support from Elastic for product development, and receive support for end customer issues related to Elastic.
- **Technology partners.** Our technology partners collaborate with Elastic to create a standardized solution for end users that includes technology from both Elastic and the partner. Technology partners represent a deeper collaboration than community contributions and are distinct from distribution-oriented relationships like OEM and MSP partners.

- **AI ecosystem.** Our AI ecosystem provides customers with a curated, comprehensive set of AI technologies and tools integrated with the Elasticsearch vector database, designed to speed time-to-market, ROI delivery, and innovation. The Elastic AI Ecosystem includes integrations with Anthropic's Claude, Cohere, Confluent, Dataiku, DataRobot, Galileo, Hugging Face, LangChain, LlamaIndex, Mistral AI, NVIDIA, OpenAI, Protect AI, Red Hat, Vectorize.io, and Unstructured, along with all of the major hyperscalers, consisting of AWS, GCP, and Azure.

Services

We offer consulting and training to assist customers in accelerating their success with our software. Our consulting team consists of engineers and architects who bring hands-on experience and deep technical knowledge to a project. Our training offerings enable our users to gain the skills necessary to develop, deploy, and manage our software.

Customer Support

We endeavor to make it easy for users to download, install, deploy, and use our platform and our solutions. Our user community enables users to engage in self-help and collaboration.

However, in many situations, such as those involving complex enterprise IT environments, large deployments, and novel use cases, our users require our support. Accordingly, we include support as part of the subscriptions we sell for our products. Our global support organization consists of engineers who provide technical support services, including troubleshooting, technical audits, cluster tuning, and upgrade assistance. Our support team is globally distributed and provides coverage 24 hours per day, 365 days per year, across multiple languages.

We do not sell support independently and, as such, it is only available for customers who license one or more of our product offerings.

Our Technology

Our platform consists of our three solutions (Search & AI, Elastic Observability, and Elastic Security) and software that supports our various deployment alternatives. Because our solutions are built on top of a common platform, innovations and new capabilities in our platform may benefit many of our solutions. Our customers can customize and extend our solutions to fit their needs by leveraging the power of our platform and our developer capabilities.

Technology Features of Elastic's Search AI Platform

Key features of our platform include the following:

- **Storage of any type of data.** Our platform combines powerful parts of traditional search engines, such as an inverted index to power fast full-text search and a column store for analytics, with native support for a wide range of data types, including text, dates, numbers, geospatial data, date/numeric ranges, and IP addresses. With sensible defaults, and no upfront schema definition necessary, our platform makes it easy to start with simple storage solutions and fine-tune them as datasets grow.
- **Vector database.** Elasticsearch is the most downloaded open source vector database, allowing users to create, store, and search vector embeddings at scale. By adding the ability to combine text and vector search for hybrid retrieval—and filtering, ranking, and reranking capabilities to deliver the most relevant results—we go beyond traditional vector databases. Elastic is the only platform with Better Binary Quantization to reduce the memory required without sacrificing accuracy.
- **Agent Builder.** Elastic Agent Builder is an AI conversational capability that lets you create AI agents that answer questions and take actions over any customer data using natural language. Agents combine LLM reasoning and context engineering with built-in and custom tools that query customer data, so responses are grounded in customer context.
- **Machine learning, AI, and alerting.** Machine learning capabilities such as anomaly detection, forecasting, and categorization are a tightly integrated part of our platform so as to automatically model the behavior of data, such as trends and periodicity, in real time, to identify issues faster, streamline root cause analysis, and reduce false positives. Without these capabilities, it can be difficult to identify issues such as infrastructure problems or intruders in real time across complex, high-volume, fast-moving datasets. In the last few years, we have also added native support for vector search and model management for advanced machine learning models.

- **Powerful query languages.** The Elasticsearch query domain specific language is a flexible, expressive search language that exposes a rich set of query capabilities across any kind of data. From simple Boolean operators to custom relevance functions, users can articulate exactly what they are looking for and bring their own definition of relevance. The query language also includes a composable aggregation framework that enables users to summarize, disaggregate, and analyze structured or semi-structured datasets across multiple dimensions. Examples of these capabilities, all with a single search, include tracking the top ten users by expenditure level, looking at data week over week, analyzing data across geographies, and drilling down into details with specific filters.
- **Developer centricity.** Elasticsearch has consistent, well-documented APIs that work the same way on one node during initial development as on a hundred nodes in production. Elasticsearch also ships with a number of language clients that provide a natural way to integrate with a variety of popular programming frameworks, reducing the learning curve, and leading to a shorter time to realizing value.
- **High speed.** Everything stored in Elasticsearch is indexed by default, so users do not need to decide in advance what queries they will want to run. Our architecture optimizes throughput, time-to-data availability, and query latency. Elasticsearch can index millions of events per second, and newly added data can be available for search nearly instantly.
- **High scale and availability.** Elasticsearch is designed to scale horizontally and be resilient to node or hardware failures. As nodes join a cluster, data is automatically rebalanced and queries and indexing are spread across the new nodes seamlessly. This makes it easy to add hardware to increase indexing throughput or improve query throughput. Elasticsearch also detects node failures and hardware or network issues, and automatically protects user data by eliminating the failing or inaccessible nodes and creating new replicas of the data.
- **Security.** Security features give administrators the rights to grant specific levels of access to their various types of users, such as IT, operations, and application teams. Elasticsearch serves as the central authentication hub for our entire platform. Security features include encrypted communications and encryption-at-rest; role-based access control; single sign-on and authentication; field-level, attribute-level, and document-level security; and audit logging.

Kibana, our platform's user interface, allows users to manage our platform and to visualize data. Customers can also use Agent Builder's chat interface to communicate in real time with their data. Additionally, the interfaces for many of our solutions (such as Elastic Observability and Elastic Security) are built into this interface. Key features of our user interface include the following:

- **Exploration and visualization of stored data.** Our platform's user interface provides interactive data views, visualizations, and dashboards powered by structured filtering and unstructured search to enable users to get to answers more quickly. Diverse user needs are supported by a variety of data visualization types, such as simple line and bar charts, purpose-built geospatial and time series visualizations, tree diagrams, network diagrams, heatmaps, scatter plots, and histograms.
- **Incorporation of advanced analytics and machine learning from Elasticsearch.** Our platform's user interface query, filtering, and data summarization capabilities reflect Elasticsearch's powerful query domain-specific language and aggregation framework while making it interactive.
- **Management of the Elasticsearch Platform.** Our user interface illustrates the health of our platform's various components and provides timely alerts to notify administrators of any problems. Its central management user interfaces make it easier to operate our platform at scale.
- **Home for solutions.** Our user interface is where our users and customers access our three solutions: Search & AI, Elastic Observability, and Elastic Security. It provides core services, like security, alerting, and data visualization components, which make it easy for users to discover all of the capabilities our platform and solutions provide.
- **Application framework.** Our user interface is designed to be extensible. Users interested in a highly specialized visualization type not distributed by default can customize experiences and make these customizations available to the community. Dozens of customizations have been shared by the community via Elastic documentation and code sharing platforms such as GitHub.

Technology Features of our Solutions

Our solutions are designed to minimize time-to-value and deployment costs of using our platform for common use cases. The functionality of our solutions often includes specialized data collection, through standardized APIs or custom agents, and custom user interfaces for specific data analytics, visualizations, workflows, and actions.

Search & AI gives users the tools to improve customer search experiences quickly and scale them seamlessly.

- **Search applications.** Customers can bring the focused power of our platform to their company website, ecommerce site, workplace search, or applications with sophisticated retrieval algorithms and the ability to integrate with LLMs. Elastic delivers seamless scalability, tunable relevance controls, thorough documentation, well-maintained clients, a refined set of APIs, intuitive dashboards, and robust analytics to build a leading search experience. Customers can build rich applications directly on top of Elasticsearch, or they can use our Application Search framework to rapidly build and customize search applications, including internal workplace search-based experiences.
- **Context engineering.** Customers use Elasticsearch to build context engines that ground LLMs and AI agents in company-specific information for trustworthy, precise, and cost-efficient outcomes. Elastic unifies enterprise data—structured, unstructured, and vectors—to give LLMs and AI agents the right information at the right time, whether they are powering retrieval-augmented generation pipelines or autonomous workflows. Through Jina AI's multi-modal, multi-lingual embedding models, semantic reranking, and hybrid search across BM25, kNN, and dense vector retrieval, Elastic turns logs, documents, telemetry, and transactions into highly relevant context that AI agents and LLMs can act on with fewer tokens consumed.

Elastic Observability monitors the IT ecosystem of applications, services, and infrastructure to deliver actionable insights into performance and availability.

- **Log analytics.** Index, search, and analyze structured and unstructured logs at large scale to monitor the health and performance of an organization’s services, infrastructure, and applications. Users can analyze and visualize information extracted from logs to understand system behavior and trends to optimize performance and preemptively address potential issues. By querying logs in ad hoc ways, users can triage, troubleshoot, and resolve performance issues.
- **Infrastructure monitoring.** With 500+ out-of-the-box integrations and automatic import, users gain visibility across cloud, Kubernetes, serverless, on-premises, and hosts. Intuitive visualizations and quick analysis supported by out-of-the-box machine learning and preconfigured dashboards allow users to troubleshoot faster, as well as measure performance targets for services such as availability, latency, traffic, and errors using service level objectives.
- **APM.** OpenTelemetry-based APM delivers insights into application performance at the code level. Users can instrument apps and see the lifecycle of a transaction across services from front end to back end. This can give developers confidence in the code they ship, and can give operational teams visibility into code-level errors and performance bottlenecks to accelerate root cause analysis and resolution during an investigation.
- **Digital experience monitoring.** Customers and users can identify problem areas and improve the overall experiences of their end users as they navigate their digital assets. With synthetic monitoring, customers can track and monitor the availability of the hosts, websites, services, and application endpoints that support business operations. Through proactive monitoring with synthetic monitoring and RUM, customers can detect troublesome components before they are reported by end users.
- **AIOps.** Always-on machine learning analysis instantly surfaces anomalies, patterns, correlations, and root causes. AI Assistant and advanced machine learning enable interactive natural language chat experience that integrates with enterprise knowledge bases to quickly resolve issues.
- **LLM observability.** LLM observability tracks costs, latency, errors, and dependencies of LLMs while ensuring safety and reliability.

Elastic Security delivers unified protection to prevent, detect, and respond to a variety of threats across the IT ecosystem.

- **SIEM.** Elastic delivers fast, scalable detection and investigation across cloud, network, endpoint, user, and third-party data. Security data is normalized using Elastic Common Schema and enriched to provide relevant context for analysis. Analysts can search across all data, pivot during investigations, and review activity using timeline views and built-in case tracking. AI-assisted features help identify related alerts and prioritize what matters most. The platform is open and accessible, giving teams full control over their data and the flexibility to adapt detections and workflows. Built-in SOAR capabilities streamline response by automating alert forwarding, case creation, and workflow integrations with external tools, thus reducing manual effort without switching platforms.
- **XDR.** Elastic delivers XDR capabilities by correlating data across endpoints, cloud, network, and user activity, all within the SIEM. Prebuilt rules, machine learning jobs, and AI-driven analytics help detect multi-stage attacks that cross domains. By analyzing native and third-party telemetry together in one interface, Elastic reduces investigation time and eliminates context switching.

- **Endpoint security.** Elastic Security includes endpoint detection and response capabilities integrated directly into the SIEM. These capabilities detect and block ransomware, fileless attacks, and hands-on-keyboard activity, including on isolated hosts. Endpoint data, whether native or from third-party tools, is analyzed alongside other telemetry to provide context and trigger automated response actions across systems.
- **Cloud security.** Elastic provides cloud detection and response capabilities directly within the SIEM, giving security teams visibility into activity across multi-cloud environments. These capabilities combine cloud workload monitoring with posture and vulnerability context. Native telemetry from cloud providers and findings from third-party cloud security posture management tools can be ingested and analyzed together, helping teams connect misconfigurations to real-time threats. This unified view across accounts and providers reduces blind spots and speeds up response to risks in modern cloud environments.
- **Workflows for security.** Elastic Workflows brings native automation directly into Elastic Security, delivering SOAR capabilities without a separate tool. It combines scripted playbooks for defined tasks with AI agents that reason through complex investigations and execute response actions including isolating hosts, querying threat intelligence, and escalating incidents. Workflows for security connects to external systems including Slack, Jira, ServiceNow, and PagerDuty, with representational state transfer (“REST”) API support for additional tools, to coordinate response across the security stack.

Community

Elastic has always been committed to an open development process with transparent and direct engagement with our community. Our team extends beyond our employee base and includes all of the users who download our software. Our users interact with us on our website forums and on X, GitHub, Stack Overflow, Quora, Facebook, and other platforms.

To build products that best meet our users’ needs, we focus on, and invest in, building a strong community. Each download of our platform is a new opportunity to educate our next contributor, hear about a new use case, explore the need for a new feature, or meet a future member of the team. Community is core to our identity, binding our products closely together with our users. Community gives us the ability to get their candid feedback, creating a direct line of communication between our users and the builders of our products across all of our features—including both free and paid capabilities—and enabling us to make our products simpler and better.

The Elastic community has a code of conduct that covers the behaviors of the Elastic community in any forum, mailing list, wiki, website, code repository, Slack channel, private correspondence, or public meeting. It is designed to ensure that the Elastic community is a space where members and users can freely and openly communicate, collaborate, and contribute both ideas and code. This Elastic community code of conduct also covers our community ground rules: be considerate, be patient, be respectful, be nice, communicate effectively, and ask for help when unsure.

Competition

Our market is highly competitive, quickly evolving, fragmented, and subject to rapid changes in technology, shifting customer needs, and frequent introductions of new offerings. Our principal competitors include:

- For Search & AI: providers of traditional search offerings, such as Algolia, Apache Solr (open source offering), and Coveo; native vector databases, such as Pinecone, Qdrant, and Weaviate; database platforms with integrated vector search, such as MongoDB Atlas; and search tools, such as Google Gemini Enterprise Agent Platform (formerly Vertex AI) and Microsoft Azure AI Search.
- For Elastic Observability: software vendors with specific observability solutions, such as AppDynamics and Splunk (each owned by Cisco Systems), Datadog, Dynatrace, and New Relic.
- For Elastic Security: security vendors, such as Azure Sentinel (owned by Microsoft), CrowdStrike, Google SecOps, Palo Alto Networks, and Splunk (owned by Cisco Systems).
- Certain cloud hosting providers and MSPs, including AWS, which offer products or services based on a forked version of our platform. These offerings are not supported by Elastic and come without any of Elastic’s proprietary features, whether free or paid.

The principal competitive factors for companies in our industry are:

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

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

We believe that we compare favorably to our competitors on the basis of the factors listed above. However, compared to us, many of our competitors have substantially greater financial, technical and other resources, greater brand recognition, larger sales forces and marketing budgets, broader distribution networks and presence, more established relationships with current or potential customers and partners, more diverse product and services offerings, and larger and more mature intellectual property portfolios. Our competitors may be able to leverage these resources to gain business in a manner that discourages customers from purchasing our offerings.

We expect that our industry will continue to attract new companies, including smaller emerging companies, which could introduce new offerings. We may also expand into new markets and encounter additional competitors in such markets.

While our products and solutions have various competitors across different use cases, such as search applications and workplace search, logging, metrics, APM, and business and security analytics, we believe that few competitors currently have the capabilities to address our entire range of use cases. We believe our industry requires constant change and innovation, and we plan to continue to evolve search as a foundational technology to solve the problems of today and new emerging problems of the future.

Intellectual Property

We rely on a combination of patents, patent applications, registered and unregistered trademarks, copyrights, trade secrets, license agreements, confidentiality procedures, non-disclosure agreements with third parties, and other contractual measures to safeguard our core technology and other intellectual property assets. In addition, we maintain a policy requiring our employees, contractors, and consultants to enter into confidentiality and invention assignment agreements. As of April 30, 2026, we had a number of active patents, issued in both the United States and outside of the United States, with expirations ranging from 2030 to 2044. In addition, as of April 30, 2026, we had numerous U.S. and international trademark registrations.

The laws, procedures and restrictions on which we rely may provide only limited protection, and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed, or misappropriated. In addition, the laws of certain countries do not protect proprietary rights to the same extent as the laws of the United States, the Netherlands, or other jurisdictions and, therefore, we may be unable to protect our proprietary technology in certain jurisdictions.

In addition, our technology incorporates software components licensed to the general public under open source software licenses such as the Apache Software License Version 2.0 (“Apache 2.0”) and other permissive licenses. We obtain many components from software developed and released by contributors for independent open source components of our technology. Open source licenses grant licensees broad permissions to use, copy, modify, and redistribute our platform. As a result, open source development and licensing practices can limit the value of our software copyright assets.

For additional information about risks relating to our intellectual property, see the section titled “Risk Management and Risk Factors—Risks Related to our Business and Industry."

Sustainability and Governance Matters

In our sustainability and governance efforts (also referred to as “ESG”), we seek to address relevant societal and sustainability challenges with transparency and accountability in our efforts to drive impactful long-term value. We measure our progress against the Sustainability Accounting Standards Board (SASB) standards for the Software and IT Services industry, and IFRS S2 climate-related disclosure standard, with a focus on ESG-related impacts, risks, and opportunities. We organize our efforts around four core pillars: social impact, governance, environmental impact, and our products' societal impact. We believe that operating Elastic in an environmentally and socially responsible manner, while employing principled, effective, and transparent governance practices, will help drive sustainable long-term value for all of our stakeholders, including our shareholders, employees, customers, creditors, and communities.As the EU parent entity of the Group, Elastic N.V. is subject to the EU Corporate Sustainability Reporting Directive ("CSRD") and will be required to report in accordance with the European Sustainability Reporting Standards ("ESRS") for the financial year ending April 30, 2028. We are closely monitoring developments relating to EU sustainability reporting requirements and has commenced preparatory work to support compliance.

ESG Oversight

At the board of directors level, our Nominating and Corporate Governance Committee is tasked with oversight of our sustainability and ESG activities, programs, and disclosures. At the management level, our Sustainability & ESG Steering Committee (the “Steering Committee”) is made up of senior executives whose functional areas cover our ESG activities. The committee sets strategic direction for our Sustainability program and exercised final approval authority over ESG initiatives and disclosures.

This Steering Committee is supported by our cross-functional Sustainability Operating Committee and our ESG working groups. These include a legal ESG working group, in which our legal, business integrity, and sustainability teams work together to monitor new regulations and prepare for compliance across the jurisdictions where we operate.

Our ESG working groups provide guidance and recommendations to the Steering Committee and implement ESG initiatives throughout Elastic, and contribute to the development of our ESG disclosures. The Director of Sustainability and ESG provides regular updates on ESG matters to the Nominating and Corporate Governance Committee and the board of directors.

Environment

We believe that environmentally responsible operating practices are important to generating value for our stakeholders, being a good partner to our customers, and being a good employer to our employees.

As a company that is distributed and does not have a traditional in-office workforce, we minimize employee commuting and operate with a relatively low office energy use footprint. We are also focused on managing greenhouse gas emissions to do our part to help ensure a more stable and secure future. We have implemented programs that address our direct operational impacts as well as the largest sources of impacts across our value chain.

While we have physical office spaces throughout the world, we strive to limit the amount of space used to the space necessary to support our operations globally, which minimizes office energy and water consumption and waste generation. Further, our workplace team manages several in-office initiatives with the aim of reducing our environmental impacts on a daily basis, including plastic water bottle removal, packaging reduction, in-office recycling, bio-waste reduction and energy and water management.

We do not have our own data centers. Instead, for Elastic Cloud offerings, we strategically partner with leading cloud service providers, including Amazon Web Services, Google Cloud, and Microsoft Azure. These industry leaders report that they are committed to minimizing the environmental impact of their global cloud platforms.

Social Impact (Human Capital Management)

We believe that our employees (whom we call “Elasticians”) and our culture are vital to Elastic’s long-term success. We support both with human capital management efforts focused on:

- attracting, engaging, and retaining a talented employee base that values different perspectives, experiences, and backgrounds;
- facilitating strong employee engagement;
- promoting continuous employee learning and development; and
- providing a comprehensive total rewards package that seeks to offer fair and consistent pay practices, and benefits that support employee well-being.

Our management regularly updates our board of directors and its committees on human capital trends and employee-focused activities and initiatives.

As of April 30, 2026, we had a total of 4,019 employees in over 40 countries globally. None of our employees are represented by a labor union. In certain countries, we have works councils or follow statutory requirements for employee representation through industry-wide collective bargaining agreements.

Distributed Workforce

Elastic originated as a distributed company and continues to be distributed by design. We have built our processes, systems, and teams so that employees can generally perform their jobs without needing to be physically present at the same location as their colleagues. Just as distributed systems are more resilient, we believe that a distributed workforce helps build a strong company that can scale and adapt as new challenges arise. Our distributed model also expands our reach, broadening our ability to attract talent across regions.

Culture and Values

At the core of our culture is our “Source Code”—a shared set of ideas that guide our approach to business with an emphasis on delivering value for our customers while providing flexibility and balance for our employees, empowering them to be their whole, creative selves.

We endeavor to be an employer of choice and strive to sustain a sense of inclusion and belonging among all employees with programs designed to foster community and an appreciation for the unique experiences and perspectives represented across Elasticians globally. We are committed to ensuring that our employees have a voice and the opportunity to share their ideas and insights through regular employee experience surveys reviewed across multiple organizational levels.

We support the continuous learning and development of all Elasticians through programs that develop skills for individual contributors, leaders of others, and leaders of the business. We deliver learning and development both through on-demand virtual learning and programs for specific teams or groups of emerging leaders. To promote and reinforce our high standards of ethics and integrity throughout the entire company, we require all employees to acknowledge their compliance with our Code of Business Conduct and Ethics and complete mandatory training on this code, and on whistleblowing, anti-harassment, discrimination, anti-retaliation, and other key policies and standards.

Total Rewards

We aim to provide all our employees with a total rewards package that is market-competitive, emphasizing global consistency and local relevance. We are committed to fair pay without regard to gender, race, or ethnicity. We partner with an external firm to conduct pay equity analysis on a regular basis using established job groupings and control factors to promote appropriate comparisons. We provide benefit programs designed to enable employees to meet their well-being goals, from starting a family to being at their physical and emotional best.

Through our Elastic Cares program, our employees can support the charitable organizations that matter most to them on a local and global level. This program encompasses donation matching, our nonprofit organization program which provides our technology for free to certain nonprofit organizations, and our volunteer time-off initiative.

Government Regulations

Our worldwide business activities are subject to various laws, rules, and regulations. Our compliance with existing or future governmental regulations, including, but not limited to, those pertaining to global trade, business acquisitions, consumer and data protection, and taxes, could have material impacts on our business. See the section titled "Risk Management and Risk Factors" included elsewhere in this Report for a discussion of these potential impacts.

Governance

Corporate Governance Practices and Policies

We believe it is the duty of the board of directors to serve our shareholders and our other stakeholders in overseeing the management of the Company’s business. To fulfill its responsibilities, the board of directors is guided by the procedures and standards set forth in our corporate governance guidelines, board rules, Code of Conduct and other governance policies. We require employees to certify their compliance with the Code of Conduct and complete mandatory training on the Code of Conduct, which addresses whistleblowing, anti-harassment, discrimination, and anti-retaliation, among other key policies and standards. We also maintain an Ethics and Compliance Hotline where individuals can confidentially and anonymously raise concerns without fear of retaliation. We review concerns raised through the hotline or other reporting channels to determine whether a formal investigation or other action is warranted. You can find Elastic governance documents, key compliance policies, and our Ethics and Compliance Hotline on our website at www.elastic.co.

Our efforts for effective corporate governance are supported by the following practices and policies:

- All of our non-executive continuing directors and director nominees standing for appointment at the Annual Meeting are independent under the rules of the NYSE.

- The Chairperson of our board of directors is independent.
- Our board of directors has both a Lead Independent Director and a Vice-Chairperson, both of whom are independent.
- All of our board committees are composed entirely of independent directors.
- Our Corporate Governance Guidelines establish limits on the number of outside public company boards our directors can serve on to ensure they can dedicate sufficient time to their duties with the Company.
- The functioning of our board of directors and board committees, including the leadership structure of our board of directors, is evaluated at least annually.
- Our key corporate governance and compliance policies are reviewed regularly.
- Our board of directors and its committees may hire outside advisors independent of management.
- Our non-executive directors meet in executive sessions without management or executive directors present on a periodic basis, and no less than once a year.
- Our policies, including the Code of Conduct and our Anti-bribery & Gifts and Entertainment Policy, set forth guiding principles to comply with the Foreign Corrupt Practices Act of 1977 and other anti-corruption and anti-bribery laws to which we may be subject.
- Our insider trading policy contains anti-hedging and anti-pledging provisions.
- Our share ownership policy contains ownership requirements aimed to align the interests of our directors and senior management with the interests of long-term shareholders.
- We maintain a formal stakeholder engagement policy to ensure regular, effective dialogue with our stakeholders so that their interests, needs, and expectations are considered when defining certain aspects of our corporate strategy.
- We maintain a cash and equity clawback policy for members of our board of directors pursuant to Dutch corporate law as well as a clawback policy for executive officers pursuant to NYSE rules.

Privacy and Information Security

We are committed to the highest ethical standards and strive to comply with all applicable laws and safeguard all data entrusted to us. Elastic's privacy and security program leverages technology and robust governance practices in an effort to protect data. We have a dedicated global privacy legal and compliance team reporting to our vice president of business integrity, as well as our chief information security officer, and experienced security operations teams. We invest in technical, organizational, and administrative measures throughout our infrastructure, including our cloud offerings, to protect the data entrusted to us. Elastic's program includes transparency, physical and logical controls, vulnerability monitoring, data availability, supply-chain risk management and a legal compliance framework designed to uphold individuals' privacy rights and address applicable laws and regulations relating to privacy and information security.

Global Third Party Code of Conduct

Our commitment to responsibly managing and partnering with our suppliers is embodied in our Global Third Party Code of Conduct, which applies to all suppliers of products or services to Elastic. Through the Global Third Party Code of Conduct, we seek to require our suppliers to operate with honesty and integrity and comply with all applicable laws and regulations, including the same standards we have set for ourselves for complying with human rights and labor laws and standards. The full text of our Global Third Party Code of Conduct is available on our website at elastic.co//legal/ethics-and-compliance.

Responsible use of AI

We are committed to the ethical and responsible integration of artificial intelligence ("AI") technologies to enhance value for our customers and users while safeguarding the information entrusted to us. To ensure responsible deployment, we have implemented internal use guidelines for both product implementation and functional implementations, overseen by a group of cross-functional experts. As part of our efforts for responsible AI, we consider emerging global frameworks, including the OECD AI Principles, the NIST AI Risk Management Framework, and regulatory standards such as ISO/IEC 42001, the EU AI Act, and other country and U.S. state regulations, to ensure we keep pace with the rapid advancement of AI technologies. Every Elastician is required to understand and follow our AI use guidelines, which are reinforced through mandatory privacy and security training and ongoing education to ensure that our commitment to trust, security, and integrity remains embedded across our products and services.

Shareholder Engagement

We value our shareholders' opinions and feedback and are committed to maintaining an active dialogue to understand their priorities and concerns. We believe that ongoing engagement builds mutual trust and alignment with our shareholders and is essential to our long-term success.

We consider our history of actively engaging with and listening to our shareholders, and regularly providing shareholders with opportunities to deliver feedback through our shareholder engagement program, to represent a vital part of our overall corporate governance program and a source of long-term value. Our Investor Relations team, often with the participation of our CEO and our CFO as well as certain other directors and business leaders, regularly meets with investors, prospective investors, and investment analysts. Our Investor Relations team communicates topics discussed with shareholders and shareholder feedback to senior management, which in appropriate cases is then discussed with our board of directors. We believe that our approach to engaging directly and openly with our shareholders drives increased corporate accountability, improves decision making, and ultimately helps create sustainable long-term value for our shareholders.In fiscal 2026, we engaged with institutional shareholders to discuss a variety of topics, including:

- business strategy;
- financial performance;
- technology initiatives and product innovation;
- corporate governance;
- executive and director compensation;
- human capital and talent;
- environmental policy and sustainability, including board oversight of ESG matters; and
- board composition.

Product Societal Impact

Elastic, the Search AI Company, is committed to building products that create a positive societal impact. The Elasticsearch Platform combines the precision of search with the intelligence of AI to help our customers and community solve real-time business problems, unlock potential value, and achieve better outcomes. Our platform, available as either a cloud service or a self-managed software, allows our customers to find insights and drive AI and machine learning use cases from large amounts of data. The company’s open-source roots allow Elastic to provide its solutions to a large community of users for free. This encourages innovation and efficiency to operate at scale for both non-profit organizations and for-profit customers. We believe Elastic’s solutions have allowed our customers to positively impact society in various ways, including by enabling human security and combating trafficking, reducing carbon emissions, and providing energy savings through efficient and reduced power consumption.

Elastic Community Engagement

At Elastic, community matters. We recognize that our team extends beyond our employees to our community of users, which includes everyone who uses our software. Our users interact with us on our website and forums and on X, GitHub, Stack Overflow, LinkedIn, YouTube, Facebook, Slack, Reddit, Instagram, Bluesky, and additional platforms. To build products that best meet our users’ needs, we focus on, and invest in, continuing to build a strong community. Each download of our platform is a new opportunity to educate our next contributor, hear about a new use case, explore the need for a new feature, or meet a future member of the team.

To recognize the contributions of our community members, we have an Elastic Contributor Program to recognize the hard work of our valued contributors, encourage knowledge sharing within the Elastic community and build friendly competition around contributions. Through programs and initiatives such as the Elastic Contributor Program, Elastic Excellence Awards, free training courses, and global meetups, we aim to acknowledge, empower, and foster a sense of community for our valued community members.

Legal Proceedings

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

Corporate Information

We are a distributed company, which means our workforce is distributed globally. Accordingly, we do not have a principal executive office. We are registered with the trade register of the Dutch Chamber of Commerce under number 54655870. Our registered office is at Keizersgracht 281, 1016 ED Amsterdam, the Netherlands.

Our ordinary shares are listed on the New York Stock Exchange ("NYSE") under the trading symbol "ESTC."

Available Information

Our website address is www.elastic.co. Information contained on, or that can be accessed through, our website does not constitute part of this Report and references to our website address in this Report are inactive textual references only.

We announce material information to the public about us, our products and services, and other matters through a variety of means, including filings with the U.S. Securities and Exchange Commission ("SEC"), press releases, public conference calls, our website (www.elastic.co), the investor relations section of our website (https://ir.elastic.co), our blog (www.elastic.co/blog), and/or social media, including our account on X (https://x.com/elastic), our Facebook page (www.facebook.com/elastic.co), and/or LinkedIn account (www.linkedin.com/company/elastic-co) to achieve broad, non-exclusionary distribution of information to the public. We encourage investors and others to review the information we make public in these locations, as such information could be deemed to be material information. This list may be updated from time to time.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Report. As discussed in the section titled "Forward-Looking Statements," the following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such difference include, but are not limited to, those identified below and those discussed in the section titled "Risk Management and Risk Factors" included elsewhere in this Report. Our fiscal year end is April 30.

Overview

Elastic, the Search AI Company, enables its customers to transform data into answers, actions, and outcomes with Search AI. Our platform combines the precision of search with the intelligence of AI to help our customers and community solve real-time business problems, unlock potential value, and achieve better outcomes. Our platform, available as either a cloud service or a self-managed software, allows our customers to find insights and drive AI and machine learning use cases from large amounts of data.

We offer three Elasticsearch-powered solutions—Search & AI, Elastic Observability, and Elastic Security—that are built on our platform. We help organizations, their employees, and their customers find what they need faster, while keeping mission-critical applications and infrastructure running smoothly and protecting against cyber threats.

Our platform is able to ingest data from any source, in any format, and perform search, analysis, and visualization of that data. With Elasticsearch at its core, our platform is a highly scalable document store, columnar database, and search engine and is the unified data store for all of our solutions and use cases. Featuring a common, solution-agnostic user interface with an embedded AI agent and support for third-party AI agents, our platform offers powerful drag-and-drop visual analytics, centralized management capabilities, and the world's most downloaded open source vector database, which gives developers a full suite of sophisticated retrieval algorithms and the ability to integrate with large language models ("LLM"). Our platform can be used by developers and IT decision makers to power a variety of use cases.

We make our platform available as a service across major cloud providers. Customers can also deploy our platform across hybrid clouds, public or private clouds, and multi-cloud environments. As digital transformation continues to drive mission-critical business functions towards increasingly complex data landscapes, we believe that every company must incorporate search AI capabilities across IT and line-of-business organizations to find the answers that matter from all of its data in real time and at scale.

Our business model is based primarily on a combination of paid service offerings (Elastic Cloud Hosted and Elastic Cloud Serverless) and free and paid proprietary self-managed software (Elastic Self-Managed). Our paid offerings for our platform are sold via subscription through resource-based pricing, and all customers and users have access to varying levels of features across all solutions. In Elastic Cloud, our family of cloud-based offerings, we offer various subscription tiers tied to different features. For users who download our software, we make some of the features of our software available free of charge, allowing us to engage with a broad community of developers and practitioners and introduce them to the value of our platform.

We believe in the importance of an open software development model, and we develop the majority of our software in public repositories under an open source AGPL license, as well as under a proprietary license. Unlike some companies, we do not build an enterprise version that is separate from our free distribution. We maintain a single code base across both our self-managed software and Elastic-hosted services. All of these actions help us build a powerful commercial business model that we believe is optimized for product-driven growth. Elastic has always been committed to open source and an open development process with transparent and direct engagement with our community. The core of Elasticsearch and Kibana (a user interface) are open source under an AGPL license, and our open source code is housed in public repositories.

We generate revenue primarily from sales of subscriptions to our platform. We offer various paid subscription tiers that provide different levels of rights to use proprietary features and access to support. We do not sell support independently. Our subscription agreements typically range from one to three years and are usually billed annually in advance. Our subscription agreements are either term-based or consumption-based, with the vast majority of Elastic Cloud subscriptions being consumption-based. We sell subscriptions in various currencies, with the majority of our subscriptions contracted in U.S. dollars, and a smaller portion contracted in Euro, British Pound Sterling, and other currencies. Elastic Cloud customers may also purchase subscriptions on a month-to-month basis without a commitment, with usage billed at the end of each month. Subscriptions accounted for 94% and 93% of total revenue for the years ended April 30, 2026 and 2025, respectively. We also generate revenue from consulting and training services.

We make it easy for users to begin using our products in order to drive rapid adoption. Users can either sign up for a free trial on Elastic Cloud or download our software directly from our website without any sales interaction, and immediately begin using the full set of features. Users can also sign up for Elastic Cloud through public cloud marketplaces. We conduct low-touch campaigns to keep users and customers engaged once they have begun using our software. As of April 30, 2026, we had approximately 24,000 customers compared to approximately 21,500 customers as of April 30, 2025. We define a customer as an entity that generated revenue in the quarter ending on the measurement date from an annual or month-to-month subscription. Affiliated entities are typically counted as a single customer.

Many of these customers start with limited initial spending on our products but can significantly increase their spending over time. We drive high-touch engagement with qualified prospects and customers to drive further awareness, adoption, and expansion of our products with paid subscriptions. Expansion includes increasing the number of developers and practitioners using our products, increasing the utilization of our products for a particular use case, and utilizing our products to address new use cases. The number of customers who represented greater than $100,000 in annual contract value (“ACV”) was over 1,720 and over 1,510 as of April 30, 2026 and 2025, respectively. In addition, we had over 240 customers who represented greater than $1.0 million in ACV as of April 30, 2026. The ACV of a customer’s commitments is calculated based on the terms of that customer’s subscriptions and represents the total committed annual subscription amount as of the measurement date. Month-to-month subscriptions are not included in the calculation of ACV.

Our sales teams are organized primarily by geography and secondarily by customer segments. They focus on both seeking to obtain new customers and on pursuing additional sales to existing customers. In addition to our direct sales efforts, we maintain partnerships to further extend our reach and awareness of our products around the world.

We have experienced significant growth, with revenue increasing to $1.739 billion for the year ended April 30, 2026 from $1.483 billion for the year ended April 30, 2025, representing year-over-year growth of 17% for the year ended April 30, 2026. For the year ended April 30, 2026, revenue from outside the Netherlands accounted for 97% of our total revenue. For our non-U.S. operations, the majority of our revenue and expenses are denominated in Euro, British Pound Sterling, and other currencies.

We recorded net income of $337.1 million for the year ended April 30, 2026 and generated a net loss of $124.5 million for the year ended April 30, 2025. The significant increase in net income compared to the prior year was driven primarily by the recognition of previously unrecognized deferred tax assets in the Netherlands, the United Kingdom, and California for $390.5 million, $23.9 million, and $20.4 million respectively, partially offset by tax expense in other jurisdictions. Our net cash provided by operating activities was $289.9 million and $240.0 million for the years ended April 30, 2026 and 2025, respectively. We had accumulated losses of $934.3 million as of April 30, 2026 due to losses in all but two of our prior years. Future results are dependent on our ability to achieve and maintain profitability annually and on a consistent basis.

We continue to make substantial investments in developing our platform and expanding our global sales and marketing footprint. With a distributed team spanning over 40 countries, we are able to recruit, hire, and retain high-quality, experienced technical and sales personnel and operate at a rapid pace to drive product releases, fix bugs, and create and market new products. We had 4,019 employees as of April 30, 2026.

On June 23, 2026, we committed to a plan to align our investments more closely with our strategic priorities. The plan is intended to simplify team structures, reduce organizational complexity, improve decision-making speed, reallocate resources towards key growth areas, and invest in the skills and capabilities needed to support our ongoing growth. As part of this drive, we expect to reduce our workforce by approximately 7%. We plan to continue hiring in key strategic areas and locations, including continuing to grow headcount in customer-facing go-to-market functions, and expects total headcount to grow this fiscal year compared to last fiscal year, as we continue to invest in future growth opportunities.

We expect to incur total non-recurring cash charges of approximately $22 million to $25 million under the plan, which will primarily consist of employee-related costs, including severance and other termination benefits. We expect to incur the substantial majority of these charges during the first quarter of fiscal 2027 and expect to incur the remaining amount of these charges in future periods. We expect that the implementation of the workforce reductions will be substantially completed by the end of the third quarter of fiscal 2027, although the timing of workforce reductions may vary by country based on local legal requirements. The foregoing estimates of the charges we expect to incur under the plan are subject to assumptions, including application of local legal requirements in various jurisdictions, and actual charges may differ from such estimates.

Current Economic Conditions

Macroeconomic events, including a resurgence in inflation, fluctuations in economic growth, changes in and uncertainty of international trade policies, and geopolitical turmoil, continue to evolve and impact worldwide economic activity. Governmental and corporate responses to these factors, including changing interest rates and unpredictable and decreased spending, will continue to affect the macroeconomic conditions. We have experienced and, if economic conditions remain uncertain or deteriorate, may continue to experience longer and more unpredictable sales cycles, increased scrutiny of prospective sales, slowing consumption and overall customer expenditures, and the impacts of changing foreign exchange rates with a strengthening or weakening U.S. dollar. We continue to closely monitor the macroeconomic environment and its effects on our business and on global economic activity, including customer spending behavior. See the section titled "Risk Management and Risk Factors" in this Report for a discussion of additional risks.

Key Factors Affecting Our Performance

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

Developing new features for the Elasticsearch Platform. Our platform is applied to various use cases by customers, including through the solutions we offer. Our revenue is derived primarily from subscriptions of Search & AI, Elastic Observability, and Elastic Security built into our platform. We believe that releasing additional features of our platform, including our solutions, drives usage of our products and ultimately drives our growth. To that end, we plan to continue to invest in building new features and solutions that expand the capabilities of our platform, specifically including investments in context engineering, AI models, and agentic workflows. We also intend to continue to pursue acquisitions selectively to enhance the technology in our platform and our solutions. These investments may adversely affect our operating results prior to generating benefits, to the extent that they ultimately generate benefits at all.

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

Growing our customer base by acquiring new customers. Our financial performance depends on growing our paid customer base by acquiring new customers. We have invested, and expect to continue to invest, heavily in sales and marketing efforts and leverage our network of partners to target new customers and drive further awareness and adoption within our user community. Our investment in sales and marketing is significant given our large and diverse user base and our efforts to engage prospects in executive-level conversations. Because these investments are likely to occur before we realize the anticipated benefits of such investments, they may adversely affect our operating results in the near term.

On November 12, 2024, we added the AGPL as an option to license the free part of our Elasticsearch and Kibana source code that has been available under the Elastic License 2.0 and SSPL. AGPL is an Open Source Initiative-approved open source license. We anticipate that the addition of this license will drive further engagement and adoption of our software in areas such as vector search within our large community, further increasing our appeal for driving AI and machine learning use cases from large amounts of data. Subject to compliance with the conditions of AGPL, anyone may also redistribute our software in modified or unmodified form or use it to provide a competitive product or service offering.

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

We believe that a useful indication of how our customer relationships have expanded over time is through our Net Expansion Rate, which is based upon trends in the rate at which customers increase their spend with us. To calculate an expansion rate as of the end of a given month, we start with the annualized spend from all such customers as of twelve months prior to that month end, which we refer to as Prior Period Value. A customer's annualized spend is measured as its ACV, or in the case of customers charged on usage-based arrangements, by annualizing the usage for that month. We then calculate the annualized spend from these same customers as of the given month end, which we refer to as Current Period Value, which includes any growth in the value of their subscriptions or usage and is net of contraction or attrition over the prior twelve months. We then divide the Current Period Value by the Prior Period Value to arrive at an expansion rate. The Net Expansion Rate at the end of any period is the weighted average of the expansion rates as of the end of each of the trailing twelve months. The Net Expansion Rate includes the dollar-weighted value of our subscriptions or usage that expand, renew, contract, or experience attrition. For instance, if each customer had a one-year subscription and renewed its subscription for the same amount, the Net Expansion Rate would be 100%. Customers who reduced their annual subscription dollar value (contraction) or did not renew their annual subscription (attrition) would adversely affect the Net Expansion Rate. Our Net Expansion Rate was approximately 112% as of April 30, 2026.

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

Expanding our penetration in enterprise and commercial customer accounts. Our future growth depends on our ability to successfully target strategic enterprise and high-propensity commercial customers using a sales-led motion. We meet our customers where they are, selling Elastic Self-Managed, Elastic Cloud Hosted, and Elastic Cloud Serverless deployments, focusing on high-value existing and new customers.

Financial Results

Revenue

Subscription. Our revenue is primarily generated through the sale of subscriptions to software, which is either self-managed by the user or hosted and managed by us in the cloud. Subscriptions provide the right to use paid proprietary software features and access to support for our paid and unpaid software. Our subscription agreements are either term-based or consumption-based, with the vast majority of Elastic Cloud subscriptions being consumption-based.

A portion of the revenue from self-managed subscriptions is generally recognized up front at the point in time when the license is delivered and the remainder is recognized ratably over the subscription term. Revenue from subscriptions that require access to the cloud or that are hosted and managed by us is recognized ratably over the subscription term or on a usage basis for consumption-based arrangements. Both are presented within Subscription revenue in our consolidated statements of comprehensive income/(loss).

Services. Services is composed of implementation and other consulting services as well as public and private training. Revenue for services is recognized as these services are delivered.

Cost of Revenue

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

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

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

Operating Costs

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

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

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

Restructuring and other related charges. Restructuring and other related charges primarily consist of employee-related severance and other termination benefits as well as lease impairment and other facilities-related charges.

Other Income. Primarily consist of sublease income, proceeds from user conferences and other non-operating gains.

Finance Income and Finance Costs

Finance income primarily comprises interest income on our cash, cash equivalents and certain marketable securities that is recognized using the effective interest method.

Finance costs primarily consist of interest expense on our 4.125% Senior Notes due July 15, 2029 (the "Senior Notes") outstanding and foreign exchange gains and losses.

Income Tax Benefit (Expense)

Income tax benefit (expense) consists primarily of income taxes related to the Netherlands, U.S. federal and state, and foreign jurisdictions in which we conduct business. Our effective tax rate is affected by recurring items, such as tax rates in jurisdictions outside the Netherlands and the relative amounts of income we earn in those jurisdictions, non-deductible share-based compensation, BEAT legislation in the United States, and one-time tax benefits, such as the recognition of deferred tax assets in the Netherlands, the United Kingdom, and California during fiscal 2026.

Comparison of Fiscal Years Ended April 30, 2026 and 2025

Revenue

	Year Ended April 30,		Change	
	2026	2025	$	%
		(in thousands)		
Revenue				
Subscription	$ 1,634,455	$ 1,384,520	$ 249,935	18%
Services	104,876	98,776	6,100	6%
Total revenue	**$ 1,739,331**	**$ 1,483,296**	**$ 256,035**	17%

Subscription revenue increased by $249.9 million, or 18%, for the year ended April 30, 2026 compared to the prior year. This increase was primarily driven by continued adoption of both Elastic Cloud and Other subscriptions, which grew 22% and 14%, respectively, over the prior year. The increase in Elastic Cloud revenue was primarily attributable to an increase in revenue from Annual Elastic Cloud, which grew by 28% over the prior year. Services revenue increased by $6.1 million, or 6% for the year ended April 30, 2026 compared to the prior year. The increase in services revenue was attributable to increased adoption of our services offerings.

Cost of Revenue and Gross Profit

	Year Ended April 30,		Change	
	2026	2025	$	%
		(in thousands)		
Cost of Revenue				
Subscription	$ 310,478	282,959	$ 27,519	10%
Services	105,941	98,525	7,416	8%
Total cost of revenue	**$ 416,419**	**$ 381,484**	**$ 34,935**	9%
Gross profit	**$ 1,322,912**	**$ 1,101,812**	**$ 221,100**	20%
Gross profit – Subscription	81%	80%		
Gross profit – Services	-1%	—%		

Cost of subscription revenue increased by $27.5 million, or 10%, for the year ended April 30, 2026 compared to the prior year. This increase was primarily due to an increase of $20.6 million in cloud infrastructure costs, $4.1 million in personnel and related costs and $2.0 million in third-party costs. Subscription gross profit improved to 81% for the year ended April 30, 2026 compared to 80% for the prior year, primarily due to efficiencies realized in managing our cloud hosting costs relative to revenue growth.

Cost of services revenue increased by $7.4 million, or 8%, for the year ended April 30, 2026 compared to the prior year. This increase was primarily due to increases of $4.6 million in personnel and related costs, $1.8 million in travel expenses and $1.0 million in miscellaneous other expenses. Gross margin for professional services revenue was (1)% for the year ended April 30, 2026 compared to nominal for the prior year. The decrease in gross margin was primarily attributable to increases in travel expenses and personnel and related costs. We continue to make investments in our services organization that we believe will be needed to support our continued growth. Our gross margin for services may fluctuate or decline in the near term as we seek to expand our services business.

Operating Costs

Research and development

	Year Ended April 30,		Change	
	2026	2025	$	%
		(in thousands)		
Research and development	$ 453,668	$ 361,610	$ 92,058	25%

Research and development expense increased by $92.1 million, or 25%, for the year ended April 30, 2026 compared to the prior year as we continued to invest in the development of new and existing offerings. This increase was primarily due to increases of $69.4 million in personnel and related costs and $8.9 million in cloud hosting costs, $7.1 million in travel expenses, and $4.0 million in software and equipment costs. The increase in personnel and related costs included increases of $39.8 million in salaries and related taxes, $21.5 million in share-based compensation and $7.5 million in employee benefits expense.

Sales and marketing

	Year Ended April 30,		Change	
	2026	2025	$	%
		(in thousands)		
Sales and marketing	$ 707,544	$ 619,966	$ 87,578	14%

Sales and marketing expense increased by $87.6 million, or 14%, for the year ended April 30, 2026 compared to the prior year. This increase was primarily due to an increase of $69.5 million in personnel and related costs, $9.5 million in travel expenses, and $4.3 million in marketing expenses. The increase in personnel and related costs included increases of $37.6 million in salaries and related taxes, $17.0 million in commission expense, $10.7 million in employee benefits expense and $2.6 million in share-based compensation.

General and administrative

	Year Ended April 30,		Change	
	2026	2025	$	%
		(in thousands)		
General and administrative	$ 201,597	$ 181,971	$ 19,626	11%

General and administrative expense increased by $19.6 million, or 11%, for the year ended April 30, 2026 compared to the prior year. This increase was primarily due to increases of $20.1 million in personnel and related costs. The increase in personnel and related costs included increases of $16.4 million in share-based compensation and $3.8 million in salaries and related taxes.

Restructuring and other related charges

	Year Ended April 30,		Change	
	2026	2025	$	%
		(in thousands)		
Restructuring and other related charges	$ —	225	$ (225)	(100)%

Restructuring and other related charges decreased by $0.2 million for the year ended April 30, 2026 compared to the prior year, as there were no employee-related severance and termination benefit charges pursuant to any restructuring plan for the year ended April 30, 2026.

Other income

	Year Ended April 30,		Change	
	2026	2025	$	%
		(in thousands)		
Other income	$ (3,456)	$ (3,673)	$ 217	(6)%

Other income primarily includes sublease income, proceeds from user conferences and other non-operating gains, which on a total basis remained relatively flat for the year ended April 30, 2026 compared to the prior year.

Finance Income and Costs

	Year Ended April 30,		Change	
	2026	2025	$	%
Finance costs	$ 29,228	$ 29,412	$ (184)	(1)%
Finance income	$ (58,674)	$ (51,823)	$ (6,851)	13 %

Finance costs include mainly interest expense on the senior notes and net foreign exchange losses, which remained relatively flat for the year ended April 30, 2026 compared to the prior year.

Finance income increased by $6.9 million, or 13%, for the year ended April 30, 2026 compared to the prior year. The increase was primarily due to a net increase of $4.5 million in interest income on marketable securities and bank deposits and the amortization of premium and accretion of discount on marketable securities.

Income Tax Benefit (Expense)

	Year Ended April 30,		Change	
	2026	2025	$	%
		(in thousands)		
Income tax benefit (expense)	$ 344,051	$ (88,631)	$ 432,682	(488)%

The Income tax benefit (expense) was $344.1 million for the year ended April 30, 2026 compared to an expense from income taxes of $(88.6) million for the prior year. Our effective tax rate for the year ended April 30, 2026 was not meaningful due to near break-even net loss before income taxes. Our effective tax rate for the year ended April 30, 2025 was 247.0% of our net loss before income taxes.

Our effective tax rate is affected by recurring items, such as tax rates in jurisdictions both within and outside the Netherlands and the relative amounts of income that is earned in those jurisdictions, non-deductible share-based compensation, BEAT legislation in the United States, and one-time tax benefits or charges. The benefit from income taxes for the year ended April 30, 2026 was driven primarily by the recognition of previously unrecognized deferred tax assets in the Netherlands, the United Kingdom, and California for $390.5 million, $23.9 million, and $20.4 million, respectively, partially offset by tax expense in other jurisdictions.

As of April 30, 2026, we concluded, based on the weight of all available positive and negative evidence, that it is probable that the deferred tax assets in the Netherlands, the United Kingdom, and California can be utilized. The recognition of deferred tax assets in the Netherlands and California was supported by the implementation of a committed tax planning action in fiscal year 2027 that is expected to generate sufficient future taxable income in each jurisdiction to support recovery of the recognized assets. The recognition of deferred tax assets in the United Kingdom was supported by achieving three consecutive years of cumulative profitability during the three months ended April 30, 2026, combined with forecasts of continued future taxable income.

Liquidity and Capital Resources

As of April 30, 2026, our principal sources of liquidity were cash, cash equivalents, and marketable securities totaling $1.370 billion. Our cash, cash equivalents, and marketable securities consist of highly liquid investment-grade fixed-income securities. We believe that the credit quality of the securities portfolio, which is diversified among industries and individual issuers, is strong.

We have generated significant operating losses from our operations as reflected in our accumulated losses of $934.3 million as of April 30, 2026. We have historically incurred, and may continue to incur, operating losses and while we generated cash provided by operations of $289.9 million in fiscal 2026, we may generate negative cash flows from operations in the future due to the investments we intend to make. As a result, we may require additional capital resources to execute on our strategic initiatives to grow our business

We believe that our existing cash, cash equivalents, and marketable securities and cash from our future operations will be sufficient to fund our operating and capital needs for at least the next 12 months, despite the uncertainty in the changing market and macroeconomic conditions. Our assessment of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. Our actual results could vary as a result of, and our future both near-term and long-term capital requirements will depend on, many factors including our growth rate, the timing and extent of spending to support our research and development efforts, the expansion of sales and marketing activities, the timing of new introductions of solutions or product features, and the continuing market acceptance of our solutions and services.

We may enter into arrangements in the future to acquire or invest in complementary businesses, services and technologies, including intellectual property rights. We have based our estimate of the adequacy of our financial resources on assumptions that may prove to be wrong, and we could use our available resources sooner than we currently expect.

In July 2021, we issued long-term debt of $575.0 million, represented by our Senior Notes, and we may be required to seek additional equity or debt financing. As market conditions warrant, we may from time to time seek to purchase our outstanding debt securities or loans, including the Senior Notes, in privately negotiated or open market transactions, by tender offer or otherwise.

In the event that additional financing is required from outside sources, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital when desired, or if we cannot expand our operations or otherwise capitalize on our business opportunities because we lack sufficient capital, our business, operating results and financial condition would be adversely affected.

Share Repurchase Program

In October 2025, our board of directors authorized the Share Repurchase Program for up to $500.0 million of our outstanding ordinary shares. Repurchases may be effected, from time to time, through open market purchases, block trades, accelerated or other structured share repurchase programs, or through other transactions in accordance with applicable securities laws. The timing and amount of any repurchases will be determined by management based on the share price, business and market conditions, and other factors. The Share Repurchase Program does not obligate us to acquire any particular amount of ordinary shares, and the program may be modified, suspended, or terminated at any time at our discretion.

During the year ended April 30, 2026, we repurchased 4.4 million of our outstanding ordinary shares for an aggregate purchase price of $340.0 million, excluding transaction costs associated with the repurchases, at a weighted-average price of $76.91 per share. All repurchases were made in open market transactions. As of April 30, 2026, $160.0 million remained available for future repurchases under the Share Repurchase Program. See note 12 in the notes to the consolidated financial statements of this report.

Cash Flows

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

	Year Ended April 30,		Change	
	2026	2025	$	%
		(in thousands)		
Net cash provided by operating activities	$ 289,914	$ 240,009	$ 49,905	21%
Net cash provided by (used in) investing activities	$ 75,520	$ (80,361)	$ 155,881	(194)%
Net cash (used in) provided by financing activities	$ (322,840)	$ 27,820	$ (350,660)	(1,260)%

Net cash provided by operating activities

Net cash provided by operating activities during the year ended April 30, 2026 was $289.9 million, which resulted from net income of $337.1 million, adjustments for non-cash charges of $97.1 million, partially offset by a net cash outflow of $92.3 million from changes in operating assets and liabilities, cash paid for interest on borrowings of $24.0 million, and cash paid for income taxes of $28.0 million. Non-cash charges consisted of $304.7 million for share-based compensation expense, $111.1 million for amortization of deferred contract acquisition costs, an increase of $28.5 million in income tax liability, $13.1 million for depreciation and intangible asset amortization expense, and $8.7 million for amortization of right-of-use assets partially offset by a $369.1 million increase in deferred income taxes. The net cash outflow from changes in operating assets and liabilities was the result of an increase in deferred contract acquisition costs of $163.7 million as our sales commissions increased due to increased business volume, an increase in prepayments of $60.9 million, and an increase of $81.3 million in trade and other receivables. These outflows were partially offset by increases in deferred revenue of $168.6 million and trade and other payables of $45.1 million.

Net cash provided by operating activities during the year ended April 30, 2025 was $240.0 million, which resulted from adjustments for non-cash charges of $470.5 million, partially offset by a net loss of $124.5 million, a net cash outflow of $59.8 million from changes in operating assets and liabilities, cash paid for interest on borrowings of $24.2 million, and cash paid for income taxes of $22.0 million. Non-cash charges consisted primarily of $263.8 million for share-based compensation expense, $96.7 million for amortization of deferred contract acquisition costs, $66.8 million in deferred income taxes, an increase of $22.5 million in income tax liability, $13.5 million for depreciation and intangible asset amortization expense, and $10.7 million for amortization of right-of-use assets offset by $7.2 million for amortization of premium and accretion of discount on marketable securities, net. The net cash outflow from changes in operating assets and liabilities was the result of an increase in deferred contract acquisition costs of $106.7 million as our sales commissions increased due to increased business volume, an increase in prepayments of $72.8 million, and an increase of $53.1 million in trade and other receivables. These outflows were partially offset by increases in deferred revenue of $147.1 million and trade and other payables of $25.2 million.

Net cash provided by (used in) investing activities

Net cash provided by investing activities of $75.5 million during the year ended April 30, 2026 was primarily due to sales, maturities, and redemptions of marketable securities of $597.4 million and interest received primarily from marketable securities of $47.6 million partially offset by purchases of marketable securities of $528.9 million, cash paid for business acquisitions, net of cash acquired, of $36.8 million and purchases of property and equipment of $5.1 million.

Net cash used in investing activities of $80.4 million during the year ended April 30, 2025 was primarily due to the purchase of marketable securities of $549.6 million and purchases of property and equipment of $4.3 million, partially offset by sales, maturities, and redemptions of marketable securities of $435.3 million and interest received primarily from marketable securities of $39.3 million.

Net cash (used in) provided by financing activities

Net cash used in financing activities of $322.8 million during the year ended April 30, 2026 was due to repurchases of ordinary shares of $340.1 million and payment of lease liabilities of $10.6 million partially offset by proceeds from stock option exercises and ESPP purchases of $27.8 million.

Net cash provided by financing activities of $27.8 million during the year ended April 30, 2025 was due to purchases under our employee stock purchase plan of $23.1 million and proceeds from stock option exercises of $17.9 million, partially offset by payment of lease liabilities of $13.1 million.

Off Balance Sheet Arrangements

We did not have during the periods presented, nor do we currently have, any off balance sheet financing arrangements or any relationships with any unconsolidated entities or financial partnerships, including entities referred to as structured finance or special purpose entities, that were established for the purpose of facilitating off balance sheet arrangements or other contractually narrow or limited purposes.

Fiscal 2027 Outlook

As we look ahead to fiscal 2027, the Company expects to maintain a stable financial and operational profile.

We have generated significant operating losses from our operations as reflected in our accumulated losses of $934.3 million as of April 30, 2026. We have historically incurred, and may continue to incur, operating losses and while we generated cash provided by operations of $289.9 million in fiscal 2026, we may generate negative cash flows from operations in the future due to the investments we intend to make. As a result, we may require additional capital resources to execute on our strategic initiatives to grow our business.

As of April 30, 2026, our principal sources of liquidity were cash, cash equivalents, and marketable securities totaling $1.370 billion. We believe that our existing cash, cash equivalents, and marketable securities and cash from our future operations will be sufficient to fund our operating and capital needs for at least the next 12 months, despite the uncertainty in the changing market and macroeconomic conditions. No significant changes to our capital structure are planned at this time.

We intend to continue to invest and devote significant resources in research and development to extend our products. Our product offering for fiscal 2027 continues to emphasize innovation within our existing offerings, with a measured approach to new product introductions. To support our product offering and drive market expansion, we may in the future enter into arrangements to acquire or invest in complementary businesses, services and technologies, including intellectual property rights.

As of fiscal 2026, we had 4,019 employees in over 40 countries globally. We expect modest headcount growth in fiscal 2027, aligned with business priorities and operational needs.

Overall, our fiscal 2027 outlook reflects operational continuity of fiscal 2026. Barring any unforeseen macroeconomic shifts, we do not anticipate material deviations from our fiscal 2026 trajectory and intend to continue to execute on our strategic goals.

See **Events After The Balance Sheet Date** for information regarding actions already taken in fiscal 2027.

Events After The Balance Sheet Date

On June 23, 2026, the Company committed to a plan to align its investments more closely with its strategic priorities. The plan is intended to simplify team structures, reduce organizational complexity, improve decision-making speed, reallocate resources towards key growth areas, and invest in the skills and capabilities needed to support the Company's ongoing growth. As part of this drive, the Company expects to reduce its workforce by approximately 7%. The Company plans to continue hiring in key strategic areas and locations, including continuing to grow headcount in customer-facing go-to-market functions, and expects total headcount to grow this fiscal year compared to last fiscal year, as it continues to invest in future growth opportunities.

The Company expects to incur total non-recurring cash charges of approximately $22 million to $25 million under the plan, which will primarily consist of employee-related costs, including severance and other termination benefits. The Company expects to incur the substantial majority of these charges during the first quarter of fiscal 2027 and expects to incur the remaining amount of these charges in future periods. The Company expects that the implementation of the workforce reductions will be substantially completed by the end of the third quarter of fiscal 2027, although the timing of workforce reductions may vary by country based on local legal requirements. The foregoing estimates of the charges the Company expects to incur under the plan are subject to assumptions, including application of local legal requirements in various jurisdictions, and actual charges may differ from such estimates.

On August 21, 2026, the Company acquired 100% of the share capital of Deductive AI, Inc., an AI-powered investigation platform, for cash consideration of approximately $70 million. Based in the United States, Deductive AI, Inc. has built an AI site reliability engineering ("SRE") agent that connects to a customer's code, telemetry sources, and organizational knowledge to help engineering teams investigate alerts and production issues.

The acquisition will be accounted for as a business combination and, accordingly, the purchase price will be allocated to tangible and intangible assets acquired and liabilities assumed based on their respective fair values on the acquisition date. The Company is in the process of finalizing the purchase price allocation for the transaction.

On August 24, 2026, Caryn Marooney notified the Board that she will not be standing for reappointment as a non-executive director following the expiration of her term at the annual general shareholders meeting in October 2026 (the "2026 AGM"). Ms. Marooney has served on our Board since April 2019, and we are grateful for her dedication and contributions to our company during this period.

On August 26, 2026, the Board nominated Julia Liuson to stand for appointment to the Company's Board as a non-executive director at the 2026 AGM. Pursuant to Dutch law, Ms. Liuson's appointment to the Board is subject to a shareholder vote, to be held at the 2026 AGM. Subject to her appointment to the Board, Ms. Liuson also will be appointed to serve as a member of the Company's Compensation Committee.

RISK MANAGEMENT AND RISK FACTORS

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

- If we do not appropriately manage our future growth or are unable to improve our systems and processes, our business and results of operations may be adversely affected.
- We have a history of losses and may not be able to achieve profitability on a consistent basis.
- IT spending, sales cycles, and other factors affecting the demand for our offerings and our results of operations have been, and may continue to be, negatively impacted by current macroeconomic conditions, including declining rates of economic growth, inflationary pressures, increased interest rates, changes in U.S. federal government spending, evolving international trade policies and environments, geopolitical turmoil, and other conditions discussed in this report.
- Our business, reputation, or financial results may be adversely affected by any failure by us to be successful in our AI initiatives, by significant competition we face in the AI landscape, and by uncertain market understanding and valuation of AI and machine learning technologies, and ethical and regulatory issues relating to the use of AI in our offerings may result in new or enhanced governmental or regulatory scrutiny, reputational harm, damage to our competitive position, and liability.
- The use of AI by our workforce may present risks to our business.
- We and our third-party vendors are vulnerable to cybersecurity risks and incidents that may disrupt or damage our business.
- Our future growth, business, and results of operations will be harmed if we are not able to keep pace with technological and competitive developments, increase sales of our subscriptions to new and existing customers, renew existing customers' subscriptions, respond effectively to evolving markets, offer high-quality support services, or maintain and enhance our brand.
- We may not be able to expand adoption of, or realize expected return on investments in, our cloud-based offerings.
- Our operating results may fluctuate from quarter to quarter.
- Our consumption-based arrangements for our Elastic Cloud offerings make it difficult to accurately predict the long-term rate of customer adoption or renewal, or the impact those arrangements will have on our near-term or long-term revenue and operating results.
- Because we recognize the vast majority of our revenue from subscriptions, downturns or upturns in sales are not immediately reflected in full in our results of operations.
- We expect our revenue mix to vary over time.
- We may not be able to attract and retain key employees or effectively develop and expand our sales, marketing, and customer support capabilities.
- We may not be able to realize the benefits of our marketing strategies, such as where we offer some of our product features free of charge and provide free trials to some of our paid features.
- Our international business exposes us to a variety of risks, and if we are not successful in sustaining and expanding our international business, we may incur additional losses and our revenue growth could be harmed.
- We are exposed to fluctuations in currency exchange rates.
- We are subject to risks associated with our receipt of revenue from sales to government entities.
- If our partners, including cloud providers, systems integrators, channel partners, referral partners, original equipment manufacturing ("OEM") and managed service provider ("MSP") partners, and technology partners fail to perform, or we are unable to maintain successful relationships with them, our ability to market, sell, and distribute our solution may be limited.
- We could be negatively impacted if the source code licenses under which some of our software is licensed are not enforceable.
- Our reputation could be harmed if third parties offer inadequate or defective implementations of software that we have previously made available under an open source license.
- Limited technological barriers to entry into the markets in which we compete may facilitate entry by other enterprises into our markets to compete with us.
- A real or perceived defect, security vulnerability, error, or performance failure in our software could cause us to lose revenue, damage our reputation, and expose us to financial liability.

- Interruptions or performance problems, and our reliance on technologies from third parties, may adversely affect our business operations and financial results.
- Incorrect implementation or use of our software could negatively affect our business, operations, financial results, and growth prospects.
- Failure to protect our proprietary technology and intellectual property rights could substantially harm our business and results of operations.
- We could incur substantial costs as a result of any claim of infringement, misappropriation, or violation of another party's intellectual property rights, including as a result of the indemnity provisions in various agreements.
- Our use of third-party open source software within our products could negatively affect our ability to sell our products and subject us to litigation.
- An investment in our company is subject to tax risks based on our status as a non-U.S. corporation.
- Any actual or perceived failure by us to comply with regulations or any other obligations relating to privacy, data protection, or information security could adversely affect our business.
- Our business is subject to a variety of government and industry regulations, as well as other obligations including compliance with export control, trade sanctions, anti-bribery, anti-corruption, and anti-money laundering laws.
- The market price for our ordinary shares has been, and is likely to continue to be, volatile.
- We may fail to meet our publicly announced guidance or other expectations about our business.
- The concentration of our share ownership with insiders will likely limit your ability to influence corporate matters, and the issuance of additional shares will dilute all other shareholders.
- Holders of our ordinary shares may not be able to exercise pre-emptive rights and may experience dilution upon future issuances of ordinary shares.
- Dutch law and our articles of association include anti-takeover provisions, and we do not comply with all suggested governance provisions of the Dutch Corporate Governance Code ("DCGC").
- We do not intend to pay cash dividends in the foreseeable future.
- Claims of U.S. civil liabilities may not be enforceable against us.
- Our share repurchase program may not be fully consummated, could increase volatility of the price of our shares, and could diminish our cash reserves.
- If industry or financial analysts do not publish research or reports about our business, or if they issue inaccurate or unfavorable research regarding our ordinary shares, our share price and trading volume could decline.
- We have a substantial amount of indebtedness and may not be able to generate sufficient cash to service all of our indebtedness.
- We may not benefit from our acquisition strategy.
- Our reputation or business could be negatively impacted by environmental, social, and governance ("ESG") matters and our reporting of such matters.
- We may fail to maintain an effective system of disclosure controls and internal control over financial reporting.

Risks Related to our Business and Industry

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

We have experienced significant growth and increased demand for our offerings. The growth and expansion of our business and offerings place a significant strain on our management, operational, and financial resources. In addition, as customers adopt our technology for an increasing number of use cases, we have had to support more complex commercial relationships. We may not be able to leverage, develop, and retain qualified employees effectively enough to realize our growth plans. Any failure by us to continue to improve our IT and financial infrastructure, our operating and administrative systems, our relationships with our partners and other third parties, and our ability to manage headcount and processes in an efficient manner could result in increased costs, negatively affect our customers' satisfaction with our offerings, and harm our results of operations.

We have a history of losses and may not be able to achieve profitability on a consistent basis.

We incurred a net loss of $124.5 million for the year ended April 30, 2025 and have incurred losses in all but two fiscal years since our inception. As a result, we had an accumulated deficit of $934.3 million as of April 30, 2026. Although we had net income of $337.1 million and $59.2 million for the years ended April 30, 2026 and 2024, respectively, we would have incurred net losses in such years as well without the recognition of previously unrecognized deferred tax assets in the Netherlands, California and the United Kingdom, where it is probable that future taxable profit will be available, and we may incur net losses in future years. Our operating expenses will continue to increase substantially in the foreseeable future as we continue to enhance our offerings, broaden our customer base and pursue larger transactions, expand our sales and marketing activities and other operations, hire additional employees, and continue to develop our technology. These efforts may prove more expensive than we currently expect, and we may not succeed in increasing our revenue sufficiently, or at all, to offset these higher expenses. Revenue growth may slow or revenue may decline because of slowing demand for our offerings, increasing competition, or other factors, including as a result of rising rates of inflation, economic downturns, and other macroeconomic events. You should not consider our revenue growth in prior periods as indicative of our future performance. Any failure by us to continue to increase our revenue and grow our business could prevent us from achieving profitability at all or on a consistent basis.

Unfavorable or uncertain conditions in our industry or the global economy or reductions in IT spending, including as a result of adverse macroeconomic conditions, international trade policies, or geopolitical conflicts, could limit our ability to grow our business and negatively affect our results of operations.

Our results of operations may vary based on the impact of changes in our industry or the global economy on us or our customers. Current, future, or sustained economic uncertainties or downturns, whether actual or perceived, could adversely affect our business and results of operations. Negative conditions in the general economy both in the United States and in international markets, including conditions resulting from changes in gross domestic product growth, financial and credit market fluctuations, international trade policies, changes in inflation, foreign exchange and interest rate environments, recessionary fears, supply chain constraints, energy costs, political instability and conflict, natural catastrophes, warfare, infectious diseases, and terrorist attacks, could cause a decrease in business investments by our customers and potential customers, including their spending on IT, and negatively affect the growth of our business. For example, inflation rates have continued to create economic volatility as governments adjust interest rates in an attempt to manage the inflationary environment, which may further lead to our customers reducing their technology expenditures and investment. Further, the evolving conflicts and geopolitical turmoil around the world could continue to have significant negative macroeconomic consequences, including on the businesses of our customers, which could negatively impact their spending on our offerings.

Heightened global economic uncertainty and changes in economic conditions, including in international trade relations, legislation and regulations (including those related to trade policies, and taxation), enforcement priorities, or economic and monetary policies, could result in heightened diplomatic tensions or political and civil unrest, among other potential impacts, may have an adverse effect on the global economy as a whole and on our business, or may require us, our customers, and other stakeholders to significantly modify current business practices. Any further disruptions or other adverse developments, or concerns or rumors about any such events or similar risks, in the financial services industry, both in the United States and in international markets, may lead to market-wide liquidity problems and may impact our or our customers' liquidity and, as a result, negatively affect the level of customer spending on our offerings.

As a result of the foregoing conditions, our revenue may be disproportionately affected by longer and more unpredictable sales cycles, delays or reductions in customer consumption or in general IT spending, and additional impacts of changing foreign exchange rates. Further, current and potential customers may choose to develop in-house software as an alternative to using our paid products. These factors could increase the amount of customer attrition we have experienced recently and further slow consumption and overall customer expenditure. Moreover, competitors may respond to market conditions by lowering prices. If the economic conditions of the general economy or markets in which we operate do not improve, or worsen from present levels, our business, results of operations, and financial condition could be adversely affected.

Our business, reputation, or financial results may be adversely affected by any failure by us to be successful in our AI initiatives, by significant competition we face in the AI landscape, and by uncertain market understanding and valuation of AI and machine learning technologies.

AI presents new risks and challenges that may affect our business. We are increasingly utilizing and building AI and machine learning ("ML") capabilities into our business and have made, and expect to continue to make, continued investments to integrate AI and ML technology into our offerings, including increasing our technical operations and engineering in these applications. Rapid technological progress in the industry regarding new and emerging AI technologies, such as generative and agentic AI, may require additional investment in the development, integration, and maintenance of our product offerings, as well as the development of appropriate technical protections and safeguards to maintain a responsible and ethical AI framework. These requirements could increase our expenses as we continue to expand the breadth of use and applications of AI technologies, including generative and agentic AI, further into our product offerings, or to address changes to AI technologies, frameworks, or regulations. Furthermore, as we expand the number and variety of LLMs and other AI models integrated into or made available through our products and offerings, we face compounding uncertainties arising from the dynamic and evolving performance characteristics of such models. Such performance characteristics may include changes in model outputs, capabilities, accuracy, and behavior introduced by third-party model providers without advance notice to us. These changes may generate novel risks, including risks related to product reliability, customer trust, data integrity, third-party claims, and regulatory compliance, that we may not be able to anticipate, adequately assess, or promptly mitigate to avoid harmful effects on our business.

We may continue to incur substantial costs in our sales and marketing efforts to promote and sell our offerings based on AI technologies, including costs for branding, product promotion, and demand generation, as well as for technical training, training material generation, and investments in resources for our sales personnel and partners. Despite these investments, our product offerings may not be adopted by customers, and we may not achieve significant revenue directly related to our AI-related initiatives for several years, if at all.

AI presents risks, challenges, and unintended consequences that could affect our ability to continue to incorporate the use of AI successfully in our business and solutions in new ways. Given the complex nature of AI technology, we face an evolving regulatory landscape and significant competition from other companies. Competitors may incorporate AI and ML into their products, offerings, and solutions more quickly or more successfully than we do, which could impair our ability to compete effectively and adversely affect our financial results. Our ability to effectively implement and market our AI and ML solutions and features will depend, in part, on our ability to attract and retain employees with AI and ML expertise in competition with other enterprises for professionals with the skills and technical knowledge we will require. Data practices by us or others that result in controversy could also impair the acceptance of AI solutions, which could undermine confidence in the decisions, predictions, analysis, or other content produced by our AI-related initiatives. In addition, the rapid adoption of generative and agentic AI tools may change how software developers design, build and deploy applications, including through increased automation of coding, infrastructure configuration and application architecture. Because a portion of our strategy is focused on being a platform of choice for developers, changes in developer workflows, tooling or decision-making processes resulting from the adoption of AI-enabled development tools could affect how developers select databases or other data platforms. The demand for our products and services could be negatively affected if these evolving development patterns reduce developer engagement with, or preference for, our platform or favor alternative technologies or architectures.

While adoption of AI and ML is likely to continue and may accelerate, the long-term trajectory of this technological trend, as well as market acceptance, understanding and valuation of solutions and services that incorporate AI and ML technologies, is uncertain, and the perceived value of AI and ML technologies used and provided by our customers could be inaccurate. If AI and ML is not broadly adopted by enterprises to the extent we anticipate, or if new use cases do not arise, then our opportunity may be smaller than we expect. Such risks and challenges could slow or even halt the adoption of AI and ML and negatively affect our business.

Ethical and regulatory issues relating to the use of AI and similar evolving technologies in our offerings may result in new or enhanced governmental or regulatory scrutiny, reputational harm, damage to our competitive position, and liability.

Social, ethical, security and regulatory issues relating to the use of new and evolving technologies such as AI and ML, including generative and agentic AI and AI models, in our offerings, internal operations or partnerships, may result in reputational harm and liability, and may cause us to incur additional research and development costs to resolve such issues. The use of generative and agentic AI, which are relatively new and emerging technologies in the early stages of commercial use, exposes us to additional risks, such as damage to our reputation, competitive position, and business, legal and regulatory risks and additional costs.

If our use of AI becomes controversial, we may experience loss of user trust, as well as brand or reputational harm, competitive injury, or legal liability. Potential government regulation related to AI and ML use and ethics may also increase the burden and cost of research and development in this area, and failure to properly remediate AI and ML usage or ethics issues may cause public confidence in AI and ML to be undermined. The rapid evolution of AI and ML will require the application of resources to develop, test and maintain any potential offerings or partnerships to help ensure that AI and ML are implemented ethically to minimize unintended, harmful impact. The use of AI technologies also could expose us to an increased risk of cybersecurity threats and incidents and claims or other adverse effects from infringements or violations of intellectual property or other regulated activity. Our use of such technologies could increase the risk of exposure of our or other parties' proprietary confidential information, or other confidential or sensitive information, to unauthorized recipients, including inadvertent disclosure of confidential or sensitive information into publicly available third-party training sets. Such risks related to the use of AI, whether directly or indirectly, could harm our results of operations, competitive position and business.

AI is the subject of evolving review and scrutiny by various domestic and international governmental and regulatory agencies. Laws, rules, directives, and regulations governing the use of AI, such as the EU Artificial Intelligence Act ("EU AI Act"), are changing and evolving rapidly. The EU AI Act establishes, among other things, a risk-based governance framework for regulating AI systems operating in the EU. This framework categorizes AI systems by their intended purposes into levels of risk, with those deemed unacceptable or high risk being strictly regulated or prohibited and all remaining AI systems being classified as low risk. The EU AI Act prohibits certain uses of AI systems and places numerous obligations on providers and deployers of permitted AI systems, with heightened requirements based on AI systems that are general purpose, which we currently deploy, or considered high risk. In addition, a patchwork of state-level AI-related legislation continues to emerge in the United States. We may not be able to anticipate how to respond to these rapidly evolving frameworks, and we may need to expend resources to adjust our operations or offerings in certain jurisdictions if the legal frameworks are inconsistent across jurisdictions. Furthermore, because AI and ML technology itself is highly complex and rapidly developing, it is not possible to predict all of the legal, operational or technological risks that may arise relating to the use of AI and ML. These and other developments may require us to make significant changes to our use of AI and ML, including by limiting or restricting our use of AI and ML, which may require us to make significant changes to our policies and practices. The cost to comply with such laws or regulations could be significant and would increase our operating expenses, which could adversely affect our business, financial condition and results of operations.

The use of AI by our workforce may present risks to our business.

Our workforce is exposed to and uses AI technologies for certain tasks related to our business. While we have training and guidelines specifically directed at the use of AI tools in the workplace, use of these AI tools, whether authorized or unauthorized, poses risks relating to intellectual property, data protection, cybersecurity, and exposure of our proprietary confidential information to unauthorized recipients, which could result in the loss of intellectual property protection of such information, the misuse of our or third-party intellectual property, and the inability to claim intellectual property ownership of outputs from AI tools. Use of AI technology by our workforce even when used consistent with our guidelines, may result in allegations or claims against us related to violation of third-party intellectual property rights, unauthorized access to or use of proprietary information and failure to comply with open source software licenses. AI technology may also produce inaccurate responses that could lead to errors in our decision-making, solution development, operations or other business activities, which could have a negative impact on our business, operating results and financial condition. Our ability to mitigate these risks will depend on effective training, monitoring and enforcement of appropriate policies, guidelines and procedures governing the use of AI technology, and compliance by our workforce.

Use of generative AI in our code development process, while offering various potential benefits, could also pose certain ownership and security risks with respect to our codebase, given the current legal uncertainties relating to ownership of AI- or ML-generated works and the potential for security flaws in output code. If any of our employees, contractors, vendors or service providers use any third-party AI-powered software in connection with our business or the services they provide to us, such use may lead to the inadvertent disclosure of our confidential information, including inadvertent disclosure of our confidential information into publicly available third-party training sets, which may impact our ability to realize the benefit of, or adequately maintain, protect and enforce our intellectual property or confidential information, harming our competitive position and business.

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

In the normal course of our business, we receive, collect, manage, store, transmit and otherwise process large amounts of proprietary information and confidential data, including personal data and other sensitive information, relating to our operations, products, customers, and business partners. Any cybersecurity incident affecting our networks, systems or those on which we rely could result in our loss of confidential information, including personal data, disruption to our operations, significant remediation costs, lost revenue, increased insurance premiums, damage to our reputation, litigation, regulatory investigations, fines, or other liabilities. We face sophisticated and evolving cyber threats from individual hackers, criminal groups, and state-sponsored organizations, as well as risks that employees, contractors or other insiders, particularly those with connectivity to our systems, may introduce vulnerabilities into our environments, facilitate a cyber attack, or take action to misappropriate our intellectual property and proprietary information.

As a provider of security solutions, we provide security services to many entities that are frequently and intensively targeted by some cyber threat actions, such as U.S. government agencies, defense contractors, and non-U.S. governments. Our work protecting these entities increases the likelihood that we may be targeted by nation-state actors, including those from countries with a history of conducting cyber operations against such organizations. We have been and may continue to be specifically targeted by threat actors for attacks intended to circumvent our security capabilities as an entry point into customers' endpoints, networks, or systems. Our industry continues to see a large volume of unauthorized scans of systems searching for vulnerabilities or misconfigurations to exploit. Attempted cyber attacks of our systems can deploy such malicious techniques, among others, as phishing, ransomware, credential stuffing, distributed denial of service, network intrusions, malware, domain name system spoofing, exploitation of zero-day vulnerabilities, and structural query language injection. While our security systems and controls have successfully protected us against, and mitigated the impacts of, many past attacks of this nature, we expect that we will experience similar incidents in the future.

If our security measures are compromised, we may face a loss of intellectual property protection, our data, or our customers' data, and our reputation may be damaged, our business may suffer, and we could be subject to claims, demands, regulatory investigations, and other proceedings and indemnity obligations and otherwise incur significant liability. Even the perception of inadequate security or an inability to maintain security certifications, maintain a security program in line with industry standards, or comply with our customer or user agreements, contracts with third-party vendors or service providers, or other contracts may damage our reputation, cause a loss of confidence in our security solutions and negatively affect our ability to win new customers and retain existing customers. Further, we could be required to expend significant capital and other resources to address any security incident, and we may face difficulties or delays in identifying and responding to any cybersecurity incident. If our systems or networks or those on which we rely suffer severe damage, disruption, or shutdown and our business continuity plans do not effectively resolve the issues in a timely manner, we could experience delays in reporting our financial results, and we may lose revenue and profits as a result of our inability to timely produce, distribute, invoice and collect payments for our products and services.

Many of our customers may use our software for processing their confidential information, including business strategies, financial and operational data, personal information and other related data. As a result, unauthorized access to or use of our software or such data could result in the loss, compromise, corruption or destruction of our customers' confidential information. Such access or use could also hinder our ability to obtain and maintain information security certifications that support customers' adoption of our products and our retention of those customers. We expect to continue incurring significant costs in connection with our implementation of administrative, technical, and physical measures designed to protect the integrity of our customers' data and prevent data loss, misappropriation, and other security incidents.

We engage third-party vendors and service providers to store and otherwise process some of our and our customers' data, including sensitive and personal information. There have been and may continue to be significant supply chain attacks generally, and our third-party vendors and service providers may be targeted or affected by such attacks and other efforts to exploit cybersecurity vulnerabilities. Our ability to monitor our third-party vendors and service providers' data security is limited. Threat actors may be able to circumvent those security measures and gain unauthorized access to, or cause misuse, disclosure, loss, destruction, or other unauthorized processing of, our and our customers' data, including sensitive and personal information. Further, threat actors may attempt to deploy malicious code to users of the open source libraries leveraged by our products, which could negatively affect us and those users.

Techniques used to sabotage or obtain unauthorized access to systems or networks are constantly evolving and, in some instances, are not identified until launched against a target. We have seen, and expect to continue to see, the emergence and maturation of AI capabilities lead to new AI-specific attack vectors and vulnerabilities and more sophisticated methods of attack enhanced or facilitated by AI, including fraud that relies upon "deep fake" impersonation technology, automated vulnerability exploitation, inadvertent data exposure, AI supply-chain attacks, or other forms of automation that otherwise scale or accelerate the effectiveness of cybersecurity attacks. AI and ML also make it cheaper for attackers to create malware, phishing, code reviews, or other tools at significantly higher volumes, and much more rapidly deploy those tools than previously. AI and ML may change the way our industry identifies and responds to cybersecurity threats. The use of AI also has resulted in, and may in the future result in, security breaches or other security incidents that implicate the personal data of users of AI-powered applications as well as access to Elastic technology. We and our third-party vendors, open source and open weight dependency providers, and service providers may be unable to anticipate these techniques, react to them in a timely manner, or implement adequate preventative measures. The use of agentic AI is changing the ways that we secure and defend our platform and operations, as both threat actors and security teams are using AI to industrialize their approaches to attacks. Traditional perimeter controls and static security rules are no longer the most effective security mechanisms. We may not succeed in reinforcing our defensive capabilities to attempt to address this threat, as the applicable technology continues to be enhanced and deployed.

Because of the complexity and interconnectedness of our systems and networks and those on which we rely, the process of upgrading or patching our protective measures could itself create a risk of cybersecurity intrusions or system disruptions, including for customers who rely upon, or have exposure to, such systems and networks.

Limitations of liability provisions in our customer and user agreements, contracts with third-party vendors and service providers or other contracts may not be enforceable or adequate to protect us from any liabilities or damages with respect to any particular claim relating to a security incident. We are subject to risks that our existing insurance coverage may not continue to be available on acceptable terms or available in sufficient amounts to cover claims related to a cybersecurity incident, or that the insurer may deny coverage as to any future claim. The successful assertion of claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our business.

Our revenue growth rate may decline or even become negative if we are unable to increase sales of our subscriptions to new customers, sell additional subscriptions to our existing customers, or renew current subscriptions, or expand the value of our existing customers' subscriptions.

We offer certain features of our products with no payment required. Customers purchase subscriptions to gain access to additional functionality and support. We may not succeed in selling our subscriptions to new and existing customers, including to large enterprises, or in expanding the deployment of our offerings with existing customers by selling paid subscriptions to our existing users and expanding the value and number of existing customers' subscriptions. Our ability to sell new subscriptions depends on a number of factors, including the prices of our offerings, the prices of products offered by our competitors, and the budgets of our customers. We also must displace the products of incumbent competitors. In addition, a significant aspect of our sales and marketing focus is to expand deployments within existing customers. The rate at which our existing customers purchase additional subscriptions and expand the value of existing subscriptions depends upon customers' level of satisfaction with our offerings, the nature and size of the deployments, the desire to address additional use cases, the perceived need for additional features, and general economic conditions. If our existing customers do not purchase additional subscriptions or expand the value of their subscriptions, our Net Expansion Rate may decline. We rely in large part on our customers to identify new use cases for our products in order to expand such deployments and grow our business. Furthermore, our customers may choose not to renew their subscriptions with us or may choose to renew for shorter subscription terms or on terms less advantageous to us for a number of factors, including their budgets, their satisfaction with our products and customer support, our products' ability to integrate with new and changing technologies, frequency and severity of product outages, our product uptime or latency, and the pricing of our products or competing products. Our business could be materially and adversely affected if our customers do not recognize the potential of our offerings, or if our efforts to sell subscriptions to new customers, to renew subscriptions with existing customers, and to expand deployments with existing customers are not successful.

We may not be able to expand adoption of or realize expected return on investments in our cloud-based offerings.

We believe that we must offer cloud-based products to address the market segment that prefers a cloud-based solution, and that our future success will depend significantly on the growth in adoption of Elastic Cloud, our family of cloud-based offerings. For the years ended April 30, 2026 and 2025, Elastic Cloud contributed 48% and 46% of our total revenue, respectively. As the use of cloud-based computing solutions is rapidly evolving, it is difficult to predict the potential growth, if any, of general market adoption, customer adoption, and retention rates of our cloud-based offerings. We have incurred and will continue to incur substantial costs to develop, sell and support our Elastic Cloud offerings. We have entered into non-cancelable multi-year cloud hosting capacity commitments with some third-party cloud providers, which require us to pay for such capacity irrespective of actual usage. Further, as our cloud offerings make up an increasing percentage of our total revenue, we expect to see increased associated cloud-related costs, such as hosting and infrastructure costs, which may adversely impact our gross margins. Demand for cloud-based offerings could decrease for reasons within or outside of our control, including, among other factors, lack of customer acceptance, technological and security challenges with bringing cloud offerings to market and maintaining those offerings, information security, data protection, or privacy incidents, our inability to properly manage and support our cloud-based offerings, competing technologies and products, weakening economic conditions, and decreases in corporate spending. If we are not able to develop, market, or deliver cloud-based offerings that satisfy customer requirements technically or commercially, if our investments in cloud-based offerings do not yield the expected return, or if we are unable to decrease the cost of providing our cloud-based offerings, our business, competitive position, financial condition, and results of operations may be harmed.

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

Our results of operations, including our revenue, cost of revenue, gross margin, operating expenses, cash flows and deferred revenue, have fluctuated from quarter to quarter in the past and may continue to vary significantly in the future so that period-to-period comparisons of our results of operations may not be meaningful. These variations may be further impacted as more of our customers adopt consumption-based arrangements or as customers already on consumption-based arrangements adjust their usage in response to the current macroeconomic environment. These variations may also be impacted by internal reorganizations, including reassignment of personnel to new roles or to new sales territories. Accordingly, our financial results in any one quarter should not be unduly relied upon as indicative of future performance. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control, may be difficult to predict, and may or may not fully reflect the underlying performance of our business. Factors that may cause fluctuations in our quarterly financial results include the risks and uncertainties described in this "Risk Management and Risk Factors" section and elsewhere in this Report. Fluctuations in our results could cause us to fail to meet the expectations of investors or securities analysts, which could cause the trading price of our ordinary shares to fall substantially and result in costly lawsuits, including securities class action suits against us.

Seasonality in our sales cycle causes fluctuations in our results of operations.

Historically, we have experienced quarterly fluctuations and seasonality in our sales and results of operations based on the timing of our entry into agreements with new and existing customers, customer usage patterns for our consumption-based arrangements, and the mix between annual and monthly contracts entered into each reporting period. Trends in our business, financial condition, results of operations, and cash flows are impacted by seasonality in our sales cycle, which generally reflects a trend toward the highest sales in our fourth fiscal quarter and the lowest sales in our first fiscal quarter. We expect that this seasonality will continue to affect our results of operations in the future, and might become more pronounced as we continue to target larger enterprise customers.

Our consumption-based arrangements for our Elastic Cloud offerings make it difficult to predict accurately the long-term rate of customer adoption or renewal, or the impact those arrangements will have on our near-term or long-term revenue or operating results.

Because we recognize revenue under a consumption-based arrangement based on actual customer consumption, we do not have the same ability to predict the timing of revenue recognition as we do under subscription arrangements in which revenue is recognized on a predetermined schedule over the subscription term. Moreover, customers may consume our products at a different pace than we expect. For example, we have experienced and, if adverse economic conditions persist, may continue to experience slowing consumption as customers look to optimize their usage. Additionally, we have seen and may continue to see newer customers increase their consumption of our solutions at a slower pace than our more tenured customers. For these reasons, our revenue in future periods may be less predictable or more variable than in past periods, and our actual results may differ materially from our forecasts.

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

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

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

The market for our products is highly competitive, quickly evolving, fragmented, and subject to rapid changes in technology, shifting customer needs, and frequent introductions of new offerings. We believe that our ability to compete depends upon many factors, some of which are beyond our control.

Some of our current and potential competitors have substantially greater financial, technical, and other resources, greater brand recognition, larger sales forces and marketing budgets, broader distribution networks and presence, more established relationships with current or potential customers and partners, more diverse product and services offerings, and larger and more mature intellectual property portfolios. Our competitors may be able to leverage these resources to gain business in a manner that discourages customers from purchasing our offerings. These factors may allow our competitors to respond more quickly than we can to new or emerging technologies and changes in customer preferences. Compared to us, these competitors may engage in more extensive research and development efforts, undertake more far-reaching and successful sales and marketing campaigns, have more experienced sales professionals, execute more successfully on their go-to-market strategy and have greater access to more markets and decision makers, and adopt more aggressive pricing policies, which may allow them to build larger customer bases than we have. Claims made about our products by current and future competitors, even if misleading, may also negatively impact customer perceptions about us. Start-up companies that innovate and large competitors that are making significant investments in research and development may develop offerings that compete with or achieve greater market acceptance than our offerings, which could attract customers away from our offerings and reduce our market share. As market segments become increasingly crowded and competition intensifies, we could potentially face increasing costs of goods and services sold. If we are unable to anticipate or react effectively to these competitive challenges, our competitive position would weaken, which could adversely affect our business and results of operations.

Conditions in our market are changing rapidly and significantly as a result of technological advancements, including with respect to AI. Our competitors may more successfully incorporate AI into their products, gain or leverage superior access to certain AI technologies, secure more strategic partnerships with key AI providers, and achieve higher market acceptance of their AI solutions. In addition, enterprise adoption of AI may significantly transform our competitive landscape. Customers may seek to vertically integrate their offerings by expanding into the markets in which we participate or using AI to develop their own software, reducing the need to purchase third-party solutions such as ours or consume them at the same or increasing rates. If this occurs, our market share could decline and our business could be harmed.

If we are not able to keep pace with technological and competitive developments, our performance may be negatively affected.

The market for search technologies, including search, observability and security, is subject to rapid technological change, innovation (such as the use of AI), evolving industry standards, and changing regulations, as well as changing customer needs, requirements, and preferences. Our success depends on our ability to continue to innovate, enhance existing products, expand the use cases of our products, anticipate and respond to changing customer needs, requirements, and preferences, and develop and introduce in a timely manner new offerings that keep pace with technological and competitive developments.

We have experienced delays in releasing new products, deployment options, and product enhancements and may experience similar delays in the future. As a result, in the past, some of our customers deferred purchasing our products until the next upgrade was released. Future delays or problems in the installation or implementation of our new releases may cause customers to forgo purchases of our products and purchase products of our competitors or not upgrade our products to higher performing levels.

The success of new product introductions depends on a number of factors that include timely and successful product development, market acceptance, our ability to manage the risks associated with new product releases and their maintenance, the availability of software components for new products, the effective management of development and other spending in connection with anticipated demand for new products, the availability of newly developed products, and the risk that new products may have defects in the early stages of introduction. We have experienced bugs, errors, or other defects in new products and product updates and may have similar experiences in the future. Further, our ability to increase the usage of our products depends, in part, on the development of new use cases for our products, which is typically driven by our developer community and may be outside of our control. We also have invested, and may continue to invest, in the acquisition of complementary businesses, technologies, services, products, and other assets that we expect will expand the products that we can offer our customers. We may make these investments without being certain that they will result in products or enhancements that will be accepted by existing or prospective customers. If we are unable to enhance our existing products to meet evolving customer requirements, increase adoption and usage of our products, or develop new products, or if our efforts to increase the usage of our products are more expensive than we expect, our business, results of operations, and financial condition could be adversely affected.

The length of our sales cycle can be unpredictable, particularly with respect to sales through our channel partners or sales to large customers, and our sales efforts may require considerable time and expense, which could negatively affect our cash flows and results of operations.

Our results of operations may fluctuate, in part, because of the length and variability of the sales cycle of our subscriptions and the difficulty in making short-term adjustments to our operating expenses. Our results of operations depend upon sales to new customers, including large customers, and increasing sales to existing customers. The length of our sales cycle, from initial contact with our sales team to contractually committing to our subscriptions, can vary substantially from customer to customer based on the complexity of our offerings as well as whether a sale is made directly by us or through a channel partner. Our sales cycle can extend to more than a year for some customers, and the length of sales cycles may be further extended as a result of worsening economic conditions. In addition, some customers have been scrutinizing their spending more carefully and reducing their consumption spending in the current uncertain economic environment, and we generally expect this caution to continue. We have also experienced and, if adverse economic conditions persist, may continue to experience longer and more unpredictable sales cycles. As we target more of our sales efforts at larger enterprise customers, we may face greater costs, longer sales cycles, greater competition and less predictability in completing some of our sales. A customer’s decision to use our solutions may be an enterprise-wide decision, which could require greater levels of education regarding the use cases of our products or protracted negotiations. In addition, larger customers may demand more configuration, integration services, and features. It is difficult to predict exactly when, or even if, we will make a sale to a potential customer or if we can increase sales to our existing customers. As a result, large individual sales in some cases have occurred in quarters subsequent to those we expected, or have not occurred at all. Lengthened or unpredictable sales cycles that cause a loss or delay of one or more large transactions in a quarter could affect our cash flows and results of operations for that quarter and for future quarters. These impacts are amplified in the short term when customers slow their consumption in response to the uncertain macroeconomic environment. Because a substantial proportion of our expenses are relatively fixed in the short term, our cash flows and results of operations could suffer if revenue falls below our expectations in a particular quarter.

Because we recognize the vast majority of the revenue from subscriptions, either based on actual consumption or ratably over the term of the relevant subscription period, downturns or upturns in sales are not immediately reflected in full in our results of operations.

Subscription revenue accounts for the substantial majority of our revenue, constituting 94% of total revenue for the year ended April 30, 2026 and 93% of our total revenue for the year ended April 30, 2025. The effect of significant downturns in new or renewed sales of our subscriptions is not reflected in full in our results of operations until future periods. We recognize the vast majority of our subscription revenue either based on actual consumption or ratably over the term of the relevant time period. As a result, much of the subscription revenue we report each fiscal quarter represents the recognition of deferred revenue from subscription contracts entered into during previous fiscal quarters. Consequently, a decline in new or renewed subscriptions in any one fiscal quarter will not be fully or immediately reflected in revenue for that fiscal quarter and will negatively affect our revenue for future fiscal quarters.

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

We expect our revenue mix to vary over time as a result of a number of factors, any one of which or the cumulative effect of which may result in significant fluctuations in our gross margin and operating results. We expect that revenue from Elastic Cloud, which contributed 48%, and 46% of our total revenue 2026, and 2025 respectively, will continue to become a larger part of our revenue mix. We may experience a shift in revenue mix from cloud to self-managed in areas particularly affected by evolving international trade policies. Under the differing revenue recognition policies applicable to our subscriptions and services, shifts in our business mix from quarter to quarter could produce substantial variation in the revenue we recognize. The variation in our revenue also may result from the growth of consumption-based arrangements for our Elastic Cloud offerings, where the revenue we recognize is tied to our customers' actual usage of our products, and from a further reduction in usage by customers already using a consumption-based arrangement due to the uncertain macroeconomic environment. Further, our gross margins and operating results could be harmed by changes in revenue mix and costs, together with numerous other factors, including our entry into new markets or growth in lower margin markets; our entry into markets with different pricing and cost structures; pricing discounts; and increased price competition.

The loss of one or more members of our senior management and other key employees or an inability to attract and retain highly skilled employees could harm our business.

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

Our future performance also depends on the continued service and continuing contributions of our senior management to execute our business strategy and to identify and pursue new opportunities and product innovations. We do not maintain key person life insurance policies on any of our employees. The loss of services of members of our senior management could significantly delay or prevent the achievement of our development and strategic objectives. Any search for senior managers in the future or any search to replace the loss of any senior managers may be protracted, and we may not be able to attract a qualified candidate or replacement in a timely manner or at all, particularly as potential candidates may be less willing to change jobs in periods of unstable economic conditions caused by macroeconomic and geopolitical events.

The industry in which we operate is generally characterized by significant competition for skilled personnel as well as high employee attrition. The increased availability of hybrid or remote working arrangements within our industry has further expanded the pool of companies that can compete for our employees and employment candidates. We may not be successful in attracting, integrating, or retaining qualified personnel to fulfill our current or future needs. Changes to immigration laws or the availability of work visas could adversely affect our ability to attract, hire, and retain qualified personnel. We may need to invest significant amounts of cash and equity to attract and retain new employees, and we may not realize returns on these investments. Further, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited, that they have divulged proprietary or other confidential information, or that their former employers own their inventions or other work product.

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

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

We may not achieve revenue growth from expanding our sales force if we are unable to hire, train, and retain talented and effective sales personnel. We depend upon our sales force to obtain new customers and to drive additional sales to existing customers. We believe that there is significant competition for sales personnel, including sales representatives, sales managers, and sales engineers, with the requisite skills and technical knowledge. Our ability to achieve significant revenue growth will depend, in large part, on our success in recruiting, training and retaining sufficient sales personnel to support our growth, and as we introduce new products, solutions, and marketing strategies, we may need to re-train existing sales personnel. Newly hired employees also require extensive training, which may take significant time before they achieve full productivity. Employees we have recently hired may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. As we continue to grow significantly, a large portion of our sales force will have relatively little experience working with us, our subscriptions, and our business model. Additionally, we may need to evolve our sales compensation plans to drive the growth of our subscription-based offerings, including our Elastic Cloud offerings with consumption-based arrangements. Such changes may have adverse consequences if they are not designed effectively. Our growth and results of operations could be negatively impacted if we are unable to hire and train sufficient numbers of effective sales personnel, our new and existing sales personnel are unable to achieve desired productivity levels in a reasonable period of time, our sales personnel are not successful in obtaining new customers or increasing sales to our existing customer base, or our sales and marketing programs, including our sales compensation plans, are not effective.

Our failure to offer high-quality customer support could have an adverse effect on our business and results of operations.

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

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

We may not be able to realize the benefits of our marketing strategies to offer some of our product features free of charge and to provide free trials of some of our paid features.

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

Our international operations and expansion expose us to a variety of risks.

As of April 30, 2026, we had customers located in over 125 countries as we pursue our strategy to continue to expand internationally. In addition, as of April 30, 2026, as a result of our strategy of leveraging a distributed workforce, we had employees located in over 40 countries. Our current international operations involve and future initiatives may involve a variety of risks, including:

- political and economic instability related to international disputes and conflicts and the related impact on macroeconomic conditions as a result of such conflicts, which may negatively impact our customers, partners, and vendors;
- unexpected changes in regulatory requirements, taxes, trade laws, export quotas, custom duties or other trade restrictions;
- more expansive legal rights of foreign unions and works councils as well as different labor regulations, especially in the European Union, where labor laws are generally more advantageous to employees than in the United States, including hourly wage and overtime regulations in these locations;
- compliance with requirements to hire local employees to perform particular functions, which may not align with the manner in which we would otherwise operate our business;
- exposure to many stringent regulations relating to privacy, data protection, advertising and information security, particularly in the European Union, and potentially inconsistent laws and regulations in these areas across countries;
- changes in a country's or region's political or economic conditions;
- changes in relations between the United States and the European Union, including individual member states, such as the Netherlands;

- risks resulting from changes in currency exchange rates and inflationary pressures;
- risks resulting from the migration of invoicing from local billing entities to centralized regional billing entities;
- the impact of public health epidemics or pandemics on our employees, partners, and customers;
- challenges inherent in efficiently managing an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits, and compliance programs;
- risks relating to enforcement of U.S. export control laws and regulations that include the Export Administration Regulations ("EAR"), trade and economic sanctions, including restrictions promulgated by the Office of Foreign Assets Control ("OFAC"), and other similar trade protection regulations and measures in the United States or in other jurisdictions;
- risks relating to our third-party vendors and service providers' storage and processing of some of our and our customers' data, including any supply chain cybersecurity attacks;
- reduced ability to timely collect amounts owed to us by our customers in countries where our recourse for delinquent payments may be more limited;
- limitations on our ability to reinvest earnings from operations derived from one country to fund the capital needs of our operations in other countries;
- limited or unfavorable intellectual property protection; and
- exposure to liabilities under anti-corruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act of 1977, as amended ("FCPA"), the U.K. Bribery Act of 2010, and similar applicable laws and regulations in other jurisdictions.

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

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

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

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

A portion of our revenue is generated, and a portion of our expenses is incurred, outside the United States in foreign currencies, which exposes us to risk of fluctuations in foreign currency markets. Our results of operations and cash flows are subject to currency fluctuations primarily in the Euro, British Pound Sterling, Japanese Yen, and Australian Dollar against the U.S. Dollar. Exchange rates have been volatile as a result of geopolitical conflicts and uncertain macroeconomic conditions, and this volatility may continue. The fluctuation of currencies in which we conduct business can both increase and decrease our overall revenue and expenses for any fiscal period. In addition, increased international sales and operating expenses incurred in future periods outside the United States in foreign currencies will increase our foreign currency risk. If we are not able to successfully hedge against the risks associated with currency fluctuations, our financial condition and results of operations could be adversely affected.

Any need by us to raise additional capital or generate the significant capital necessary to expand our operations and invest in new offerings could limit our ability to compete and could harm our business.

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

- develop or enhance our products;
- continue to expand our sales and marketing and research and development organizations;
- acquire complementary technologies, products, or businesses;
- expand operations in the United States or internationally;
- hire, train, and retain employees; or

- respond to competitive pressures or unanticipated working capital requirements.

Our failure to have sufficient capital to take any of these actions could limit our ability to compete and harm our business.

We are subject to risks associated with our sales to government entities.

We generate an increasing portion of our revenue from sales to U.S. and non-U.S. government entities. Sales to government entities are subject to a number of risks. Selling to government entities can be highly competitive, expensive, and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. Government certification and security requirements for products like ours may change, thereby restricting our ability to sell into the U.S. federal government sector, U.S. state or local government sector, or government sectors of countries other than the United States until we have obtained the revised certification or met the changed security requirements. If we are unable to timely meet such requirements, our ability to compete for and retain federal government contracts may be diminished, which could adversely affect our business, results of operations, and financial condition.

Government entities may have statutory, contractual, or other legal rights to terminate contracts with us or our channel partners for convenience or due to a default, and any such termination may adversely affect our future results. Government demand and payment for our offerings may be affected by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for our offerings or preventing the exercise of options under multi-year contracts. There is pressure on governments to reduce spending, both domestically and internationally, particularly with respect to U.S. federal government agencies. Actions by government entities to maximize efficiency and productivity may create further delays in government contracting due to uncertainties and employee reductions, and create additional uncertainty regarding budgetary priorities, all of which could adversely affect the timing, funding, and purchases of our offerings by U.S. and non-U.S. government organizations.

Contracts with government agencies, including classified contracts, are subject to extensive, evolving, and sometimes complex regulations, as well as audits and reviews of contractors' administrative processes and other contract-related compliance obligations. Breaches of government contracts, failure to comply with applicable regulations, failure to obtain and maintain required facility or security clearances, or unfavorable findings from government audits or reviews could result in contract terminations, reputational harm or other adverse consequences, including ineligibility to sell to government agencies in the future, government refusal to continue buying our subscriptions, or fines or civil or criminal liability.

Our operations, financial results and growth prospects could be adversely affected if we are unable to maintain successful relationships with our partners, or if our partners fail to perform.

We maintain partnership relationships with a variety of enterprises, including cloud providers such as Amazon, Google, and Microsoft, systems integrators, channel partners, referral partners, technical integration partners, OEM and MSP partners, and technology partners, to deliver offerings to our end customers and complement our broad community of users. In particular, we partner with various cloud providers to jointly market, sell and deliver our Elastic Cloud offerings, which in some instances also entails technical integration with such cloud providers. Our ability to achieve revenue growth in the future will depend in part on our success in maintaining successful relationships with our partners and in helping our partners enhance their ability to market and sell our subscriptions. If we are unable to maintain our relationships with these partners, our business, results of operations, financial condition or cash flows could be harmed.

Our agreements with our partners are generally non-exclusive, so that our partners may offer customers the offerings of several different companies, including offerings that compete with ours, or may themselves be or become competitors. Some of these partners may also market, sell, and support offerings that compete with ours, may devote more resources to the marketing, sales, and support of such competitive offerings, may have incentives to promote our competitors' offerings to the detriment of our offerings or may cease selling our offerings altogether. If our partners do not effectively market and sell our offerings, choose to use greater efforts to market and sell their own offerings or those of our competitors, fail to provide adequate technical integration with their own offerings, fail to meet the needs of our customers, fail to deliver services to our customers, or if we lose one or more of our channel partners, our ability to expand our business and sell our offerings may be harmed. Our partners may cease marketing our offerings with limited or no notice and with little or no penalty. The loss of a substantial number of our partners, our possible inability to replace them, or the failure to recruit additional partners could harm our performance.

In addition, many of our new channel partners require extensive training and may take several months or more to become effective in marketing our offerings. Our channel partner sales structure could subject us to lawsuits, potential liability, misstatement of revenue, and reputational harm, if, for example, any of our channel partners misrepresents the functionality of our offerings to customers or violates laws or our or their corporate policies, including our terms of business, which in turn could impact reported revenue, deferred revenue, and remaining performance obligations.

We could be negatively impacted if the source code licenses under which some of our software is licensed are not enforceable.

Depending on the product and version, we make the source code of our products available under Apache 2.0, the Elastic License, Server Side Public License Version 1.0 (“SSPL”), and AGPL. Apache 2.0 is a permissive open source license that allows licensees to freely copy, modify, and distribute Apache 2.0-licensed software if they meet certain conditions. The Elastic License is our proprietary source-available license. The Elastic License permits licensees to use, copy, modify, and distribute the licensed software so long as they do not offer access to the software as a managed service, interfere with the license key, or remove proprietary notices. SSPL is a source-available license that is based on the AGPL open source license, and both SSPL and AGPL v3 permit licensees to copy, modify, and distribute SSPL-licensed software, but expressly require organizations that offer the AGPL v3 or SSPL-licensed software as a third-party service to adopt the same license to all of the software that they use to offer such service. We rely upon the enforceability of the restrictions set forth in the Elastic License, AGPL v3, and SSPL to protect our proprietary interests. If a court were to hold that the Elastic License, AGPL v3, or SSPL, or certain aspects of these licenses are unenforceable, others may be able to use our software to compete with us in the marketplace in a manner not subject to the restrictions set forth in the Elastic License, AGPL v3, or SSPL.

If third parties offer inadequate or defective implementations of software that we have previously made available under an open source license, we could experience lost sales and lack of market acceptance of our products.

Certain cloud hosting providers and MSPs, including AWS, offer hosted products or services based on a forked version of our platform, which means they offer a service that includes some of the features that we had previously made available under an open source license. These offerings are not supported by us and are delivered without any of our proprietary features, whether free or paid. We do not control how these third parties may use or offer our open source technology. These third parties could inadequately or incorrectly implement our open source technology or fail to update such technology in light of changing technological or security requirements, which could result in real or perceived defects, security vulnerabilities, errors, or performance failures with respect to their offerings. Users, customers, and potential customers could confuse these third-party products with our products, and attribute such defects, security vulnerabilities, errors, or performance failures to our products. Any damage to our reputation and brand from defective implementations of our open source software could result in lost sales and lack of market acceptance of our products and could adversely affect our business and growth prospects.

Limited technological barriers to entry into the markets in which we compete may facilitate entry by other enterprises into our markets to compete with us.

Any person may obtain access to source code for the features of our software that we have licensed under open source or source available licenses. Depending on the product and version of the Elastic software, this source code is available under Apache 2.0, SSPL, AGPL, or the Elastic License. Each of these licenses allows anyone, subject to compliance with the conditions of the applicable license, to redistribute our software in modified or unmodified form and use it to compete in our markets. Such competition can develop without the degree of overhead and lead time required by traditional proprietary software companies because of the rights granted to licensees of open source and source available software. It is possible for competitors to develop their own software, including software based on our products, potentially reducing the demand for our products and putting pricing pressure on our subscriptions. For example, Amazon offers some of the features that we had previously made available under an open source license as part of its AWS offering. Through these offerings, Amazon competes with us for potential customers, and while Amazon cannot provide our proprietary software, Amazon’s offerings reduce the demand for our products and the pricing of Amazon’s offerings may limit our ability to adjust the prices of our products. Competitive pressure in our markets generally may result in price reductions, reduced operating margins, and loss of market share.

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

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

Any limitation of liability provisions that may be contained in our customer and partner agreements may not be effective as a result of existing or future applicable law or unfavorable judicial decisions. The sale and support of our products entail the risk of liability claims, which could be substantial in light of the use of our products in enterprise-wide environments. Our insurance against this liability may not be adequate to cover a potential claim. Furthermore, our insurance coverage may not extend to all risks we face, including all AI-related risks, and may not cover us for all losses for errors or omissions caused by AI.

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

We rely on third-party cloud platforms to host our cloud offerings. If we experience an interruption in service for any reason, our cloud offerings would similarly be interrupted. The ongoing effects of geopolitical conflicts, adverse economic conditions, and increased energy prices could also disrupt the supply chain of hardware needed to maintain our third-party data center operations. An interruption in our services to our customers, particularly as we increasingly attract more large customers than in the past, could cause our customers' internal and consumer-facing applications to cease functioning, which could have a material adverse effect on our business, results of operations, customer relationships, and reputation.

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

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

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

If our website fails to rank prominently in unpaid (organic) search results, traffic to our website could decline and our financial results could be adversely affected.

Our success depends in part on our ability to attract users through unpaid (organic) Internet search results on traditional web search engines, such as Google, as well as through AI-powered search and discovery platforms. These rankings and recommendations can be affected by a number of factors outside our direct control and may change frequently. For example, a search engine may change its ranking algorithms, methodologies, or design layouts. In addition, AI-powered search tools and LLM-based assistants are increasingly influencing how users discover products and services online. Our visibility in these AI-generated experiences depends on factors such as third-party content quality, third-party citations, and the training data and retrieval methodologies used by AI systems, all of which are outside our control and may change without notice. As a result, links to our website may not be prominent enough to drive traffic, we may not be surfaced or recommended by AI-powered tools, and we may not be in a position to influence these outcomes. AI-powered tools may characterize our products inaccurately or incompletely, influencing buyer perception before any visit to our website. Any reduction in the number of users directed to our website could reduce our revenue or require us to increase our customer acquisition expenditures.

Our operations and sales performance could be disrupted if we fail to maintain satisfactory relationships with third-party service providers on which we rely for many aspects of our business.

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

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

Our success depends to a significant degree on our ability to establish, maintain and protect our proprietary technology, methodologies, know-how, domain names, social media names, and brands. We rely on a combination of trademarks, service marks, copyrights, patents, trade secrets, contractual restrictions, and other intellectual property laws and confidentiality procedures to establish and protect our proprietary rights. The steps we take to protect our intellectual property rights may be inadequate.

We will not be able to protect our intellectual property rights if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property rights. The source code of proprietary features for some versions of our platform offered under certain licenses is publicly available, which may enable others to replicate our proprietary technology or use it as a technical reference to create AI-driven derivatives, and compete more effectively with us. If we fail to protect our intellectual property rights adequately, our competitors may gain access to our proprietary intellectual property and our business may be harmed. Any patents, trademarks, or other intellectual property rights that we have or may obtain may be challenged by others or invalidated through administrative process or litigation. Patent applications we file may not result in issued patents. Even if we continue to seek patent protection in the future, we may be unable to obtain further patent protection for certain aspects of our technology. In addition, any patents issued in the future may not provide us with competitive advantages, or may be successfully challenged by third parties. Further, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain and vary by jurisdiction. We do not seek all forms of intellectual property protections in all jurisdictions where we do business, or in jurisdictions where such protection might not be adequate or available.

Despite our precautions, it may be possible for unauthorized third parties to copy or create derivatives of our products and use information that we regard as proprietary to create offerings that compete with ours. Effective patent, trademark, copyright, and trade secret protection may not be available to us in every country in which our products are available. We may be unable to prevent third parties from acquiring domain names, social media names, or trademarks that are similar to, infringe upon, or diminish the value of our trademarks and other proprietary rights. The laws of some countries are not as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate to achieve our objectives. As we expand our international activities, our exposure to unauthorized copying and use of our products and proprietary information will likely increase, as will the creation of derivatives and technology derived from AI with reference to our proprietary technology.

We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with other parties. These agreements may not be effective in controlling access to and distribution of our proprietary information. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our products.

To protect and monitor our intellectual property rights, we may be required to spend significant resources. Litigation has previously been, and may in the future be, necessary to enforce and protect our intellectual property rights. Even if we prevail in such disputes, we may not be able to recover all or a portion of any judgments, and litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to our management. If unsuccessful, litigation could result in the impairment or loss of portions of our intellectual property. Further, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of those rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management’s attention and resources, could delay further sales or the implementation of our products, impair the functionality of our products, delay introductions of new products, result in our being required to substitute inferior or more costly technologies into our products or incur warranty and indemnifications costs with our customers, or injure our reputation.

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

In recent years, there has been significant litigation involving patents and other intellectual property rights in the software industry. Companies providing software are increasingly bringing and becoming subject to suits alleging infringement, misappropriation, or violation of proprietary rights, particularly patent rights, and to the extent we gain greater market prominence, we face a higher risk of being the subject of intellectual property infringement, misappropriation, or violation claims. The risk of patent litigation has been amplified by the increase in the number of a type of patent holder, which we refer to as a non-practicing entity, whose sole or principal business is to assert such claims and against whom our own intellectual property portfolio may provide little deterrent value. We could incur substantial costs in prosecuting or defending any intellectual property litigation. While we do not provide LLMs, our products and solutions may contain integrations of third-party LLMs, which may indirectly expose us to copyright infringement or other intellectual property misappropriation claims depending on the datasets and training models used by such third parties in their AI and generative AI offerings. If we sue to enforce our rights or are sued by a third party that claims that our products infringe, misappropriate or violate its rights, the litigation could be expensive and could divert our management resources from operations.

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

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

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

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

Our agreements with customers and other third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, misappropriation, or violation, damages caused by us to property or persons, or other liabilities relating to or arising from our software, services or other contractual obligations. To the extent not covered by insurance, 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, other existing customers and prospective customers and harm our business and results of operations.

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

Our technologies strategically incorporate open source software from other developers, as well as open source and/or open weight large and small language models, and we expect to continue to incorporate such open source software and models in our products in the future. Open weight models are AI systems whose trained parameters are publicly released, allowing users to run, fine-tune, and deploy them. Few of the licenses applicable to open source and open weight software and models have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products. Moreover, we may not have incorporated third-party open source software or models in or associated with our software in a manner that is consistent with the terms of the applicable license, regulations of certain jurisdictions, or our current policies and procedures. If we fail to comply with these licenses or regulations, we may be subject to certain requirements, including requirements that we offer our solutions that incorporate the open source software for no cost, that we make available source code for modifications or derivative works we create based upon incorporating or using the open source software, and that we license such modifications or derivative works under the terms of applicable open source licenses or for certain types of AI models that we may be restricted from offering such models in certain jurisdictions. Examples of such challenges unique to generative and non-generative models that create potential risks include, without limitation, the sources of the data on which such models were trained, their legal status in different jurisdictions, rights of the original controllers of such data, bias training issues, data the models can be prompted to generate, and the manner in which the models are to be used, all subject to different and evolving laws and regulations across multiple jurisdictions.

In addition, some open source software may include output from generative AI software or other software that incorporates or relies on generative AI or other AI technologies. The use of such open source software may expose us to risks as the intellectual property ownership and license rights, including copyright, of generative AI software and tools have not been fully interpreted by U.S. courts or been fully addressed by federal or state regulation or those of other international legal jurisdictions in which we do business. Attempting to ensure our compliance in integrating such open source and generative AI components with licensing terms, regulatory changes, and our required intellectual property guidelines and legal requirements to do business may result in the expenditure of significant resources and in our failure to meet all relevant, material software and technology release timetables and requirements. Increased use of AI-based developer tools may increase the amount of third party-sourced or derived software incorporated into our products, and introduces increased risks of compliance related to open source and other licensing, as well as complexities in title and intellectual property registration of certain AI-generated aspects.

Changes in supply chain and export control regulations imposed by the U.S. federal government and other governments due to geopolitical changes and government policies may require us to make changes to some of our open source, open weight, and other third-party dependencies, which may result in additional costs and may adversely impact customer use and adoption of our solutions.

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

Our plan to align our investments more closely with our strategic priorities that we announced on June 24, 2026 may not result in the anticipated benefits or operational efficiencies, could result in total costs and expenses that are greater than expected, and could disrupt our business.

On June 24, 2026, we announced a plan to reduce our workforce by approximately 7% and to align our investments more closely with our strategic priorities. We adopted this plan to simplify team structures, reduce organizational complexity, improve decision-making speed, reallocate resources towards key growth areas, and invest in the skills and capabilities needed to support the Company's ongoing growth. We may incur additional expenses associated with the reduction in our workforce not contemplated by our plan, which may have an impact on other areas of our liabilities and obligations and contribute to losses in future periods. We may not realize, in full or in part, the anticipated benefits and savings from our plan due to unforeseen difficulties, delays or unexpected costs. If we are unable to realize the expected benefits and operational efficiencies, our operating results and financial condition would be adversely affected.

Furthermore, implementation of our plan may be disruptive to our operations. For example, our workforce reduction could result in voluntary attrition beyond planned staff reductions, increased difficulties and workloads in our day-to-day operations, and reduced employee morale. If employees who were not affected by the reduction in force seek alternative employment, we could incur unplanned additional expense to ensure adequate resourcing and fail to attract and retain qualified management, engineering, sales and marketing personnel who are critical to our business. Our failure to do so could harm our business and our future performance. In addition, implementation of the plan may require more than anticipated management time and resources, which may divert attention away from core business objectives and strategic growth initiatives and negatively impact our business.

Risks Related to Taxation

Unanticipated changes in effective tax rates could expose us to greater than anticipated tax liabilities.

Our income tax obligations are based in part on our corporate structure and intercompany arrangements, including the manner in which we develop, value, and use our intellectual property and the valuations of our intercompany transactions. The tax laws applicable to our business, including the laws of the Netherlands, the United States, and other jurisdictions, are subject to change and interpretation. Any new legislation or interpretations of existing legislation could affect our tax obligations in countries where we do business or cause us to change the way we operate our business and result in increased taxation of our international earnings.

For example, the Organisation for Economic Co-operation and Development ("OECD")/G20 Inclusive Framework has been addressing tax matters arising from the digitalization of the economy, including by releasing the OECD's Pillar One and Pillar Two blueprints on October 12, 2020. Pillar One refers to the re-allocation of taxing rights to jurisdictions where sustained and significant business is conducted, regardless of a physical presence, while Pillar Two establishes a minimum tax to be paid by multinational enterprises. On December 15, 2022, the Council of the EU formally adopted Directive (EU) 2022/2523 (the "Pillar Two Directive") to achieve a coordinated implementation of Pillar Two in EU Member States consistent with EU law. In the Netherlands, this directive is implemented in the Minimum Tax Rate Act 2024 (*Wet minimumbelasting 2024*). This measure ensures that multinational enterprises that are within the scope of the Pillar Two rules are subject to a corporate tax rate of at least 15%. The Minimum Tax Rate Act 2024 currently does not have a material adverse effect on our financial results.

The United States has an alternative minimum tax called the Base Erosion and Anti-Abuse Tax (the "BEAT") that applies to certain U.S. corporations, including Elastic for these purposes. The BEAT is imposed on certain deductible amounts paid by a U.S. corporation that (i) has aggregate gross receipts of at least $500 million over its three prior taxable years and (ii) is at least 25%-owned by a non-U.S. person (or otherwise related to a non-U.S. person in specified circumstances). The BEAT taxes "modified taxable income" of a U.S. corporation described above at a rate of 10.5%. In general, modified taxable income is calculated by adding back to the U.S. corporation's regular taxable income the amount of certain "base erosion tax benefits" with respect to payments to foreign affiliates, as well as the "base erosion percentage" of any net operating loss ("NOL") deductions. The BEAT applies only to the extent it exceeds the U.S. corporation's regular corporate income tax liability (determined without regard to certain tax credits). Compliance with the BEAT could have an adverse impact on our U.S. tax obligations, operating results and cash flows.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the United States. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act of 2017, modifications to the international tax framework, and the restoration of favorable tax treatment for certain business provisions including the immediate expensing of United States research and development expenditures. The legislation has multiple effective dates, with certain provisions effective for us in the current fiscal period and others in our fiscal year ending April 30, 2027. We have completed our assessment of the tax impact of the provisions effective in the fiscal year ended April 30, 2026, and concluded there is no material impact on our consolidated financial statements. We continue to monitor the potential impacts of the provisions effective in future fiscal years, as well as any forthcoming regulatory guidance.

The applicability of sales, use, and other indirect tax laws or regulations on our business is uncertain. Tax laws or regulations could be enacted or existing laws could be applied to us or our customers, which could subject us to additional tax liability and related interest and penalties, increase the costs of our services and adversely impact our business.

The application of U.S. federal, state, and local tax laws and regulations, and non-U.S. tax laws and regulations to services provided electronically is evolving. New sales, use, value-added, goods and services, consumption, or other direct or indirect tax laws could be enacted at any time (possibly with retroactive effect), and could be applied solely or disproportionately to services provided over the Internet, directly or through partners, or could otherwise materially affect our financial position and operating results. As we expand the scale of our international business activities, any changes in the U.S. or non-U.S. taxation of such activities may increase our worldwide effective tax rate and harm our business, operating results, and financial condition.

In addition, tax jurisdictions have differing rules and regulations governing sales, use, value-added, goods and services, consumption, and other taxes, and these rules and regulations can be complex and are subject to varying interpretations that may change over time. Existing tax laws could be interpreted, changed, modified, or applied adversely to us (possibly with retroactive effect), which could require us or our customers to pay additional tax amounts on prior and future sales, as well as require us or our customers to pay fines or penalties and interest for past amounts. Although our customer contracts typically provide that our customers must pay all applicable sales and similar taxes, our customers may be reluctant to pay back taxes and associated interest or penalties, or we may determine that it would not be commercially feasible to seek reimbursement. If we are required to collect and pay back taxes and associated interest and penalties, or we are unsuccessful in collecting such amounts from our customers, we could incur potentially substantial unplanned expenses, thereby adversely impacting our operating results and cash flows. Imposition of such taxes on our services in future periods could also adversely affect our sales activity and financial performance.

Our corporate structure and intercompany arrangements are subject to the tax laws of various jurisdictions under which we could be obligated to pay additional taxes.

Based on our current corporate structure, we may be subject to taxation in multiple 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 taxing authorities of some of such jurisdictions may contest our methodologies for valuing developed technology or intercompany arrangements, which could increase our worldwide effective tax rate and harm our financial position and results of operations. Tax authorities examine and may audit our income tax returns and other non-income tax returns, such as payroll, indirect, net worth or franchise, property, goods and services, and excise taxes, in both the United States and foreign jurisdictions. It is possible that tax authorities may disagree with certain positions we have taken, and any adverse outcome of such a review or audit could have a negative effect on our financial position and results of operations. Further, the determination of our worldwide provision for, or benefit from, income taxes and other tax liabilities requires significant judgment by management, including with respect to transactions for which the ultimate tax determination is uncertain. Although we believe that our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our consolidated financial statements and may materially affect our financial results for the period or periods for which such determination is made.

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

As of April 30, 2026, we had NOL carryforwards for Netherlands, United States (federal and state, respectively), and United Kingdom income tax purposes of $1.557 billion, $229.6 million, $505.4 million and $68.9 million, respectively, which may be utilized against future income taxes. Limitations imposed by the applicable jurisdictions on our ability to utilize NOLs could cause income taxes to be paid earlier than would be paid if such limitations were not in effect and could cause such NOLs to expire unused, in each case reducing or eliminating the benefit of such NOLs. These limitations could prevent us from deriving some or all of the expected benefits from our NOLs.

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

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

We may not be able to make distributions or repurchase our shares without subjecting our shareholders to Dutch withholding tax.

We have not paid a cash dividend on our ordinary shares in the past and we do not intend to pay any cash dividends to holders of our ordinary shares in the foreseeable future. However, if we ever do pay dividends or repurchase our shares without an applicable exemption, then under current Dutch tax law, the dividend paid or repurchase price paid may be subject to Dutch dividend withholding tax at a rate of 15% under the Dutch Dividend Withholding Tax Act (*Wet op de dividendbelasting 1965*, “Regular Dividend Withholding Tax”), unless a domestic or treaty exemption applies.

In addition, dividends paid to related entities in designated low-tax jurisdictions may be subject to an alternative withholding tax (“Alternative Withholding Tax”) at the highest Dutch corporate income tax rate in effect at the time of the distribution (currently 25.8%). An entity is considered related if (i) it has a “Qualifying Interest” in our company, (ii) our company has a “Qualifying Interest” in the entity holding the ordinary shares, or (iii) a third party has a "Qualifying Interest" in both our company and the entity holding the ordinary shares. The term “Qualifying Interest” means a direct or indirectly held interest either by an entity individually or jointly if an entity is part of a qualifying unity (*kwalificerende eenheid*) that enables such entity or such qualifying unity to exercise a definite influence over the decisions of another entity, such as our company or an entity holding ordinary shares, as the case may be, and allows it to determine the other entity’s activities. The Alternative Withholding Tax will be reduced, but not below zero, with any Regular Dividend Withholding Tax imposed on distributions. Based on currently applicable rates, the overall effective rate of withholding of Regular Dividend Withholding Tax and Alternative Withholding Tax will not exceed the highest corporate income tax rate in effect at the time of the distribution (currently 25.8%).

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

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

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

Risks Related to Regulatory Matters

Any actual or perceived failure by us to comply with government or other obligations related to privacy, data protection, and information security could adversely affect our business.

We are subject to compliance risks and uncertainties under a variety of federal, state, local, and foreign laws and regulations governing privacy, data protection, information security, AI use, and the collection, storage, transfer, use, retention, sharing, disclosure, protection, and processing of personal data. Privacy, data protection, and information security laws and regulations may be interpreted and applied differently depending on the jurisdiction and continue to evolve, making it difficult to predict how they may develop and apply to us.

The regulatory frameworks for these issues worldwide are rapidly evolving and are likely to remain uncertain for the foreseeable future. Government bodies or agencies in the past have adopted or amended, and in the future may adopt or amend, laws and regulations affecting data protection, data privacy, AI, or information security or regulating the use of the Internet as a commercial medium.

In the United States, many states have enacted such legislation. These laws and regulations may include a private right of action for certain data breaches or for noncompliance with privacy or security obligations, may provide for penalties and other remedies, and may require us to incur substantial costs and expenses and liabilities in connection with our compliance. Other U.S. states and the U.S. federal government are considering or are currently in the process of enacting similar privacy legislation or regulations. Many obligations under these laws and legislative or regulatory proposals remain uncertain, and we cannot fully predict their impact on our business. Failure to comply with these varying laws and standards may subject us to investigations, enforcement actions, civil litigation, fines, and other penalties, all of which may generate negative publicity and have a negative impact on our business.

Internationally, most jurisdictions in which we operate have established their own privacy, data protection, AI, and information security legal frameworks with which we or our customers must comply. Within the European Union, the General Data Protection Regulation (“GDPR”) applies to the processing of personal data. The GDPR imposes significant obligations upon our business, and compliance with these obligations can vary depending on how different regulators may interpret them. Failure to comply, or perceived failure to comply, can result in administrative fines of up to 20 million Euros or four percent of the group’s annual global turnover, whichever is higher. Similarly, the United Kingdom has implemented legislation that is substantially similar to the GDPR under which penalties for violations, actual or perceived, can be up to 17.5 million British Pound Sterling or four percent of the group’s annual global turnover, whichever is higher. Both the GDPR and its U.K. equivalent also feature stringent requirements on cross-border transfers that are currently subject to judicial challenge, and that could affect our ability to make international transfers and subject us to the regimes’ penalties. In addition to these comprehensive data protection laws, we may be subject to international sectoral legal requirements as part of cloud infrastructure (under NIS2) or indirectly via clients (under the Digital Operational Resilience Act, or DORA), in the capacity of a service provider.

We may also be or become subject to new laws and regulations that regulate non-personal information. For example, the European Union’s Data Act (“EU Data Act”) imposes certain data and cloud service interoperability and switching obligations to enable users to switch between cloud service providers without undue delay or cost, as well as requirements concerning cross-border international transfers of, and governmental access to, non-personal information outside the European Economic Area (“EEA”). Although to date our compliance with the EU Data Act has not had a material adverse effect on our financial results, depending on how the EU Data Act and any similar laws or regulations are implemented, interpreted and enforced, we may have to adapt our business practices, contractual arrangements, and services in the EEA to comply with such obligations, which could negatively affect our regional revenue and results of operations.

In addition to government regulation, industry groups have established or may establish new and different self-regulatory standards that may legally or contractually apply to us or to our customers. Moreover, our customers increasingly expect us to comply with more stringent privacy, data protection, AI use, and information security requirements than those imposed by laws, regulations, or self-regulatory requirements, and we may be obligated contractually to comply with additional or different standards relating to our handling or protection of data on or by our offerings. Any failure to meet our customers’ requirements may adversely affect our revenues and prospects for growth.

We expect that there will continue to be changes in interpretations of existing or new laws and regulations, proposed laws, and other obligations, which could impair our or our customers’ ability to process personal data, restrict our ability to transfer data and other digital assets internationally, decrease demand for our offerings, impact our marketing efforts, increase our costs, and impair our ability to maintain and grow our customer base and increase our revenue. It is possible that these laws and regulations or other actual or asserted obligations relating to privacy, data protection, or information security may be interpreted and applied in ways that are, or are alleged to be, inconsistent with our data management practices or the features of our products. In such an event, we could face fines, lawsuits, regulatory investigations, and other claims and penalties, and we could be required to fundamentally change our products or our business practices, any of which could have an adverse effect on our business.

Data protection authorities and other regulatory bodies are increasingly focused on the use of online tracking tools and have issued or plan to issue rulings which may affect our marketing practices. Any restrictions on using online analytics and tracking tools could lead to substantial costs, require significant changes to our policies and practices, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, and subject us to additional liabilities.

We publicly post privacy statements and other documentation regarding our practices concerning the processing, use and disclosure of personal data. Any failure, or perceived failure, by us to comply with such statements could result in potential actions by private parties, regulatory bodies or government entities if the statements are alleged or found to be unfair or misrepresentative of our actual practices or inconsistent with legal requirements for such statements, which could result in increased costs, changes in our business practices, or reputational harm.

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

Our software and services, in some cases, are subject to U.S. export control laws and regulations including the EAR, and trade and economic sanctions maintained by OFAC, as well as similar laws and regulations in the countries in which we do business. An export license may be required to export or re-export our software and services to, or import our software and services into, certain countries and to certain end-users or for certain end-uses. If we were to fail to comply with such U.S. and foreign export control laws and regulations, trade and economic sanctions, or other similar laws, we could be subject to both civil and criminal penalties, including substantial fines, possible incarceration of employees and managers for willful violations, and the possible loss of our export or import privileges. Obtaining the necessary export license for a particular sale or offering may not be possible, may be time-consuming and may result in the delay or loss of sales opportunities. Further, export control laws and economic sanctions in many cases prohibit the export of software and services to certain embargoed or sanctioned countries, governments, and persons, as well as for prohibited end uses. Monitoring and ensuring compliance with these complex U.S. export control laws involves uncertainties because our offerings are widely distributed throughout the world, and information available on the users of these offerings is limited in some cases. Even though we take precautions in an effort to ensure that we and our partners comply with all relevant export control laws and regulations, any failure by us or our partners to comply with such laws and regulations could have negative consequences for us, including reputational harm, government investigations, and penalties.

Various countries have enacted laws that could limit our ability to distribute our products and services or could limit our end customers' ability to implement our products in those countries based on encryption in our offerings. Changes in our products or changes in export and import regulations in such countries may create delays in the introduction of our products and services into international markets, prevent our end customers with international operations from deploying our products globally or, in some cases, prevent or delay altogether the export or import of our products and services to certain countries, governments, or persons. Reduced use of our products and services by, or decreased ability by us to export or sell our products to, existing or potential end customers with international operations could result from changes in export or import laws or regulations, sanctions, or related legislation; shifts in the enforcement or scope of existing export or import laws or regulations or sanctions; or changes in the countries, governments, persons, or technologies targeted by such export or import laws or regulations or sanctions.

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

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

Risks Related to Ownership of our Ordinary Shares

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

The market price of our ordinary shares may fluctuate significantly in response to numerous factors, many of which are beyond our control, including those resulting from the risks and uncertainties described in this "Risk Factors" section. The stock markets, and securities of technology companies in particular, have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. Stock prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In particular, stock prices of companies with significant operating losses have recently declined significantly, and in many instances more significantly than stock prices of companies with operating profits. The economic impact and uncertainty of changes in the inflation, interest and macroeconomic environments, international trade relations, and geopolitical conflicts have exacerbated this volatility in both the overall stock markets and the market price of our ordinary shares. A significant decline in the price of our shares could subject us to securities class action litigation, such as the purported class action lawsuit filed against us in February 2025. Our involvement in securities litigation could subject us to substantial costs, divert resources and the attention of management from our operations and adversely affect our business.

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

We have provided and may continue to provide guidance and other expectations regarding our future performance in our quarterly and annual earnings conference calls, quarterly and annual earnings releases, or other public disclosures. Such guidance and expectations are forward-looking and represent our management's estimates as of the date of release. They 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 affecting 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. Further, analysts and investors may develop and publish their own forecasts concerning our financial results, which may form a consensus about our future performance. Our business and future operating results may vary significantly from such guidance or other expectations or that consensus due to a number of factors, many of which are beyond our control, including the global economic uncertainty and volatile financial market conditions characterizing the current macroeconomic environment. Further, if we make downward revisions of our previously announced guidance or other expectations, or if we withdraw such guidance or other expectations, or if our publicly announced guidance or other expectations of future operating results fail to meet expectations of securities analysts, investors or other interested parties, the price of our ordinary shares could decline. In light of the foregoing, investors should not unduly rely upon our guidance or other expectations in making an investment decision regarding our ordinary shares.

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

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

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

Our articles of association authorize us to issue up to 165 million ordinary shares and up to 165 million preference shares with such rights and preferences as are included in our articles of association. On September 30, 2025, our general meeting of shareholders ("general meeting") empowered our board of directors to issue ordinary shares up to 20% of our issued share capital as of August 21, 2025, for a period of 18 months until March 30, 2027 (the "2025 share issuance authorization"). In line with market practice for Dutch publicly traded companies, we expect to renew this authorization annually at our general meeting. Subject to compliance with applicable rules and regulations and the above authorization limitation, we may issue ordinary shares or securities convertible into ordinary shares from time to time in connection with a financing, acquisition, investment, our equity incentive plans or otherwise. Any such issuance could result in substantial dilution to our existing shareholders unless pre-emptive rights exist and cause the market price of our ordinary shares to decline.

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

Holders of our ordinary shares in principle have a pro rata pre-emptive right with respect to any issue of ordinary shares or the granting of rights to subscribe for ordinary shares, unless Dutch law or our articles of association state otherwise or unless explicitly provided otherwise in a resolution by our general meeting, or if authorized by the annual general meeting or an extraordinary general meeting, by a resolution of our board of directors. Our 2025 general meeting has empowered our board of directors to restrict or exclude pre-emptive rights on ordinary shares issued pursuant to the 2025 share issuance authorization, up to 10% of our issued share capital as of August 21, 2025 for a period of 18 months until March 30, 2027, which could cause existing shareholders to experience substantial dilution of their interest in us. In line with market practice for Dutch publicly traded companies, we expect to renew this authorization annually at our general meeting.

As of April 30, 2026, there were no preference shares issued or outstanding. Preference shares in the capital of the Company may currently be issued pursuant to a resolution adopted by the general meeting at the proposal of the board of directors. Pre-emptive rights do not exist with respect to the issue of preference shares and holders of preference shares, if any, have no pre-emptive right to acquire newly issued ordinary shares. Also, pre-emptive rights do not exist with respect to the issue of shares or the granting of rights to subscribe for shares to our employees, nor with respect to the issue of shares or the granting of rights to subscribe for shares against contributions in kind.

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

Sales of a substantial number of shares of our ordinary shares in the public market, particularly sales by our directors, executive officers and significant shareholders, or the perception that these sales could occur, could adversely affect the market price of our ordinary shares and may make it more difficult for you to sell your ordinary shares at a time and price that you deem appropriate.

We have also filed, and will file in the future, registration statements on Form S-8 under the Securities Act registering all ordinary shares that we may issue under our equity compensation plans, which may in turn be sold in the public market and may adversely affect the market price for our ordinary shares.

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

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

- the staggered three-year terms of the members of our board of directors, as a result of which only approximately one-third of the members of our board of directors may be subject to election in any one year;
- a provision that the members of our board of directors may be removed only by a general meeting by a two-thirds majority of votes cast representing at least 50% of our issued share capital if such removal is not proposed by our board of directors;
- a provision that the members of our board of directors may only be appointed upon binding nomination of the board of directors, which may be overruled only with a two-thirds majority of votes cast representing at least 50% of our issued share capital;
- requirements that certain matters, including an amendment of our articles of association, may be brought to our shareholders for a vote only upon a proposal by our board of directors; and
- minimum shareholding thresholds, based on nominal value, for shareholders to call general meetings of our shareholders or to add items to the agenda for those meetings.

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

As a Dutch company, we are subject to the Dutch Corporate Governance Code. The DCGC contains both principles and suggested governance provisions for management boards and supervisory boards (or, in the case of a one tier structure, the board of directors), shareholders and general meetings, financial reporting, auditors, disclosure, compliance and enforcement standards. The DCGC is based on a “comply or explain” principle. Accordingly, public companies are required to disclose in their annual reports, filed in the Netherlands, whether they comply with the suggested governance provisions of the DCGC. If they do not comply with those provisions, for example because of a conflicting requirement, companies are required to give the reasons for such noncompliance. The DCGC applies to all Dutch companies listed on a government-recognized stock exchange, whether in the Netherlands or elsewhere, including the NYSE. We aim to comply with all applicable provisions of the DCGC except where such provisions conflict with U.S. exchange listing requirements or with market practices in the United States or the Netherlands, in which case we comply with such exchange listing requirements and market practices. This compliance position may affect your rights as a shareholder, and you may not have the same level of protection as a shareholder in a Dutch company that fully complies with the suggested governance provisions of the DCGC.

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

We have never declared or paid any cash dividends on our shares. We do not anticipate paying any cash dividends on our ordinary shares in the foreseeable future. Were this position to change, payment of future dividends may be made only if our equity exceeds the amount of the paid-in and called-up part of the issued share capital, increased by the reserves required to be maintained by Dutch law and our articles of association. Accordingly, investors currently must rely on sales of their ordinary shares after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

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

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

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

Based on the foregoing, U.S. investors may not be able to enforce against us or members of our board of directors, officers or certain experts named in our filings with the SEC, who are residents of the Netherlands or countries other than the United States, any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the U.S. federal securities laws.

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

Share repurchases under our share repurchase program may not be fully consummated and could increase the volatility of the trading price of our ordinary shares and diminish our cash reserves.

In October 2025, our board of directors authorized a share repurchase program pursuant to which we may repurchase up to $500 million of the Company's outstanding ordinary shares, exclusive of any fees, commissions, or other expenses related to such repurchases. The share repurchase program does not obligate us to repurchase any specific amount of ordinary shares. The actual timing and amount of repurchases remain subject to a variety of factors, including share price, trading volume, market conditions and other general business considerations, all of which may be negatively affected by macroeconomic conditions and factors. The share repurchase program may be modified, suspended, or terminated at any time and may not be fully consummated. The share repurchase program could increase the volatility of the trading price of our ordinary shares and will decrease our cash reserves, which may be needed for deployment in our business.

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

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

If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could be adversely affected.

The preparation of financial statements in conformity with IFRS 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. The results of these estimates which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue, and expenses that are not readily apparent from other sources. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our ordinary shares. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to revenue recognition, deferred contract acquisition costs, acquired intangible assets, and income taxes.

Risks Related to our Outstanding Senior Notes

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

We have a substantial amount of indebtedness and we may incur additional indebtedness in the future. As of April 30, 2026, we had outstanding $575.0 million aggregate principal amount of our 4.125% Senior Notes due July 15, 2029 (the "Senior Notes"). Our indebtedness could have important consequences, including:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

General Risk Factors

We may not benefit from our acquisition strategy.

As part of our business strategy, we have in the past made, and may in the future make, investments through acquisition or otherwise in complementary companies, products, or technologies to augment our existing business. We may not be able to identify suitable acquisition candidates or complete such acquisitions on favorable terms, if at all. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals and business strategy, we may be subject to claims or liabilities assumed from an acquired company, product, or technology, and any acquisitions we complete could be viewed negatively by our customers, investors, and securities analysts. In addition, if we are unsuccessful at integrating future acquisitions, or the technologies associated with such acquisitions, into our company, the revenue and results of operations of the combined company could be adversely affected. Any integration process may require significant time and resources, which may disrupt our ongoing business and divert management’s attention from operations, and we may not be able to manage the integration process successfully. We may not successfully evaluate or utilize acquired technology or personnel, realize anticipated synergies from acquisitions, or accurately forecast the financial impact of an acquisition transaction and integration of such acquisition, including accounting charges. We may have to pay cash, incur debt, or issue equity or equity-linked securities to pay for any future acquisitions, each of which could adversely affect our financial condition or the market price of our ordinary shares. The sale of equity or issuance of equity-linked debt to finance any future acquisitions could result in dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations. We may incur unforeseen legal liability arising from prior or ongoing acts or omissions by the acquired businesses which are not discovered by due diligence during the acquisition process or that prove to have a greater than anticipated adverse impact. Acquired businesses may not have invested sufficient efforts in their own regulatory compliance, and we may need to invest in such businesses and seek to improve their regulatory compliance controls and systems. We may acquire development stage companies that are not yet profitable, and that require continued investment, thereby reducing our cash available for other corporate purposes. The occurrence of any of these risks could harm our business, results of operations, and financial condition.

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

A significant natural disaster, such as an earthquake, fire, flood, or significant power outage, could have an adverse impact on our business, results of operations, and financial condition. The impact of climate change may increase these risks due to changes in weather patterns, such as increases in storm intensity, sea-level rise, melting of permafrost and temperature extremes in areas where we or our suppliers and customers conduct business. Some of our management members and other employees are located in the San Francisco Bay Area, a region known for seismic activity, wildfires and other extreme weather events. If our or our partners’ operations are hindered by any of the foregoing events, we could experience sales delays, supply chain disruptions, and other negative impacts on our business. In addition, acts of terrorism, acts of war, geopolitical turmoil, other geopolitical unrest or health issues, such as a pandemic outbreak, or fear of such events, could cause disruptions in our business or the business of our partners, customers or the economy as a whole. Any disruption in the business of our partners or customers that affects sales in a fiscal quarter could have a significant adverse impact on our quarterly results for that and future quarters. The potential impacts of these risks may be further increased if our disaster recovery plans prove to be inadequate.

Our reputation and/or business could be negatively impacted by ESG matters and/or our reporting of such matters.

There is an increasing focus from regulators, certain investors, customers, and other stakeholders concerning ESG matters, both in the United States and internationally, and companies across all industries are experiencing increased scrutiny of their ESG practices, positions, and reporting. Investors, customers, regulators, employees, and other stakeholders have focused increasingly on ESG issues, including, among other matters, climate change and greenhouse gas emissions, human and civil rights, and diversity and inclusion matters. Expectations surrounding appropriate corporate behavior in these areas are continually evolving and often reflect a wide spectrum of viewpoints and interests. In recent periods, regulators have expressed contrary views with respect to a range of ESG matters. Given the divergent nature of regulations and a lack of harmonization of ESG legal and regulatory environments across the jurisdictions in which we operate, we may experience enhanced compliance risks and costs as well as opposing views from various stakeholders who may disagree with our actual or perceived positions on these matters.

In addition, changing laws, regulations and standards relating to ESG matters are evolving, creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. We communicate certain ESG-related initiatives and goals regarding ESG in our annual sustainability report, on our website, in our filings with the SEC, and elsewhere. These initiatives and goals, coupled with the uncertainty regarding compliance with evolving ESG laws, regulations and expectations, could be difficult to achieve and costly to implement. We could fail to achieve, or be perceived to fail to achieve, our ESG-related initiatives and goals. In addition, we could be criticized for the timing, scope or nature of these initiatives and goals, or for any revisions to them. If our ESG practices and disclosures do not meet evolving investor, customer, or other stakeholder expectations and societal and regulatory standards, or if we experience an actual or perceived failure to achieve our ESG-related initiatives and goals our ability to attract or retain employees and our attractiveness as an investment or as a business partner could be negatively impacted, which could adversely affect our business.

We are, or in the future will be, obligated to comply with new stringent climate-related reporting requirements under California climate-related reporting statutes, laws of member states of the European Union implementing the EU Corporate Sustainability Reporting Directive, and other laws and regulations. These sustainability reporting frameworks will require us to provide, at least annually, detailed public disclosures about the greenhouse gas emissions and other climate-related effects our activities produce, the climate-related operating and financial impacts, risks, and opportunities we face, and the strategies we pursue to manage and adapt to the impacts of climate change. We expect to incur substantial costs to prepare these disclosures. If we fail to compile, assess and report the required operating and accounting information in a timely manner and in accordance with mandatory reporting standards, we could be exposed to fines and other sanctions and sustain harm to our reputation.

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

As a public company in the United States, we are subject to the Sarbanes-Oxley Act and SEC rules and regulations, which require, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. 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 continue to 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 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.

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

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

Risk Management and Control Systems

Elastic, similar to other technology companies, operates in a complex, competitive, and rapidly changing environment that involves many risks as detailed under the heading "Risk Management and Risk Factors" above. As a company committed to operating ethically and with integrity, we proactively seek to manage and, where possible, mitigate risks to help ensure compliance with applicable rules and regulations, maintain integrity and continuity in our operations and business, and protect our assets. Risk management is an enterprise-wide objective subject to oversight by the Board and its committees.

It is the responsibility of Elastic's management and employees to implement and administer risk-management processes to identify material risks to our business. In addition, management must assess, manage and monitor those risks. To further embed risk management and compliance into our culture, Elastic implements relevant policies and procedures and trains employees on how to implement and comply with them. All our committees have regular access to management and our Board and committees also schedule sessions without members of management present.

Elastic's Board, in turn, directly or through its committees, oversees management's implementation of risk management. We have our Code of Business Conduct and Ethics ("Code of Conduct") and other related policies in place, and the Board and its committees rigorously review with management actual and potential significant risks, including any breaches of the Code of Conduct, at least quarterly. See "Statements of the Board of Directors" below for more details.

Fraud Risk: Elastic uses the Internal Control — Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission, or COSO, as a reference for its design, implementation, and evaluation of control activities as part of a system of internal control. Elastic has implemented internal risk management and control systems to manage the risks effectively and efficiently. An example is fraud risk prevention, which starts with the identification of potential internal and external fraud risk scenarios. Identification, analysis and determination of the internal and external fraud risks relevant to the Group is performed, followed by the nature and inherent size of these risks. Subsequently, the relevant controls that are in place are mapped to the risks. Finally, a conclusion of the overall residual risk and an assessment is made to what extent the remaining residual risk is within Elastic's risk appetite.

Elastic's key internal fraud risk scenarios include the manipulation of financial results, the misuse of confidential information, and the misappropriation of assets. Elastic's key external fraud risk scenarios include customers providing Elastic with fraudulent documents, circumvention of Elastic's fraud prevention system through brute force or fraud rings, and customers initiating fraudulent transactions. Relevant mitigating controls mapped to these risks include both preventive and detective controls that sufficiently mitigate internal and external fraud risk scenarios.

Credit Risk: The nature of the Group's operations is such that its customer base is sufficiently diversified and generally financially secure and that, accordingly, credit risk is limited. In addition, management regularly reviews aging of accounts receivable and has implemented procedures to ensure that cash is collected on time.

Liquidity Risk: In the years ended April 30, 2026 and 2025, we generated cash from operations of $289.9 million and $240.0 million, respectively. Management monitors rolling forecasts of the Group's cash and cash equivalents based on expected cash flows. This is generally carried out at the Group level, taking into account the liquidity of the market in which Group's subsidiaries operate.

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

Risk Appetite

Our risk appetite is integrated into the business through our strategy, global policies, procedures, controls, and budgets. While the executive directors are responsible for overseeing and managing the Company's day-to-day risks and related control systems, the Board has broad oversight of the Company's risk profile and risk management. Our appetite for risk varies depending on the risk type. The Group measures risk by estimating the potential for loss of profit, staff turnover, and reputational damage. Our appetite for each risk is determined by considering key opportunities and potential threats to achieving our strategic objectives and can be categorized as follows:

Operational

Operational risks include unforeseen incidents that could result from failures in internal processes or systems, human error, forecasting, or adverse external events and could negatively impact the day-to-day operation of our business.

Risk appetite: Moderate

Operational risks are managed through management oversight, the ongoing budgeting, forecasting, and reporting process as well as training activities to constantly improve and update employees' skills and knowledge. Infrastructural operational risks are managed by regular backups and increased use of the cloud.

The cost of these measures and control systems must be commensurate with the benefits achieved. Management generally considers the likelihood of risks in the operational and technology areas as moderate while evaluating the financial impact of each event depending on the specific risk field. Management's risk appetite in this field is moderate and we seek to mitigate risks through contracts, service level agreements, insurance, and cooperation with established partners.

We strive to minimize the possibility of business disruptions and the related impact of operational failures. We constantly review and invest in our structure and processes to ensure they are fit for purpose and address any identified operational risk.

Strategic

Strategic risks originate from trends, developments, or events that could prevent us from executing and realizing our strategic objectives and include risks related to personnel, customer dependency, and the market.

Risk appetite: Moderate

As far as strategic risks are concerned, we try to mitigate personnel risk by providing an attractive remuneration package, a positive working environment, and structured individual development plans. We try to manage the dependency risk by building and maintaining customer relationships. We develop customer engagement strategies and regularly monitor progress for existing customers and identify and build relationships with new customers.

In general, management addresses market risks by actively monitoring the developments and evaluating the actual exposure to these risks. This includes hiring industry qualified executives and employees, participation in industry events, gaining information from analysts and research firms as well as creating business cases for new product developments. The Group does not pursue growth at all costs and expects sufficient margins. We will primarily pursue organic growth strategies to meet our growth objectives. We aim for sufficient operating margins while protecting the long-term viability of the Group.

Financial

Financial risks include uncertainty of financial returns on investments, reductions in liquidity, erosion of profits, potential financial losses due to financing policies, and other external factors such as the macroeconomic environment and geopolitical conditions, unreliability of suppliers, economic restrictions, and reduction of the customer base.

Risk appetite: Low

In the field of financial risks, management addresses the low profitability risk mainly through transparency and a permanent review process in connection with quarterly results, forecasting, and budgeting considering both internal factors and external factors such as macroeconomic and geopolitical conditions. In the event of merger and acquisition ("M&A") activity, a dedicated project management team is established for accelerating sustainable long-term value creation. Through a strong due diligence process and a closely managed integration process, we seek to reduce the probability of M&A-related risk. Currency risks, on the other hand, can be minimized through natural hedging due to having revenue and costs for business conducted outside of the United States incurred in the local currency of the associated subsidiary, however, to date, we have not had a formal hedging program with respect to foreign currency, but we may adopt such a program in the future if our exposure to foreign currency should become more significant. Our revenue and expenses are primarily denominated in U.S. dollars, and to a lesser extent in Euro, British Pound Sterling, and other currencies. Although changes to exchange rates of foreign currencies have not had a material impact on our net operating results to date, we continue to reassess our foreign exchange exposure as we continue to grow our business globally. As far as political instability is concerned, the breadth of our offerings and geographical reach helps to mitigate our exposure to any particular localized risk. We monitor proposed changes in taxation legislation and new accounting standards to ensure these are taken into account when we consider our future business plans. We manage working capital risk by increasing and diversifying our customer base and carefully managing our costs. While the Group has sufficient cash to meet its future obligations, it may seek additional external funding in the future, and we consider the risk of not being able to secure additional funding as a risk that is not imminent. While Management's risk appetite for financial risk is low overall, management realizes that the expansion of the business does require some risk-taking and evaluates risk appetite for business expansion as moderate.

Compliance

Compliance risks relate to unanticipated failures to comply with applicable laws and regulations as well as our own policies and procedures.

Risk appetite: Low

The Group is committed to complying with the laws and regulations of the countries in which we operate. However, as the Group is expanding its business in a complex and rapidly changing international environment, and is continuously improving its processes and procedures, regulatory violations may occur. We understand legal and regulatory standards are constantly evolving, compliance obligations are increasing significantly, and financial penalties for non-compliance in certain areas relevant to the Group (such as privacy, international trade, or anti-corruption) could be very high. Management's risk appetite is low and matters of substantial significance are reviewed with the Board or a committee of the Board. However, should the risk materialize, it could have a very high, potentially critical impact. We mitigate the risk by constantly enhancing our business integrity program (including compliance policies, training, monitoring, internal reporting, etc.) and working with well-established external partners such as tax, legal, and audit advisors.

Statements of the Board of Directors

Elastic's management is responsible for establishing and maintaining adequate internal risk management and control systems. During the financial year, management has assessed the design and effectiveness of these systems, and the results have been discussed with the audit committee of the Board (the "Audit Committee"), the Board, and our external auditor.

Elastic's management recognizes the inherent limitations of internal risk management and control systems. While the Company continuously works towards improving its processes and procedures, these systems cannot provide absolute certainty that all risks have been identified or are effectively managed. The level of certainty that they provide is influenced by, among other things, inherent limitations to risk management, business considerations such as the Company's risk appetite, the complexity of the Company's operations, and the dynamic nature of the business environment.

Certain risks remain outside the Company's direct control, as they depend on third parties or external circumstances beyond the Company's influence.

The principal risks the company faces, the Company's risk management framework and the company's risk appetite are described in the sections titled "Risk Management and Control Systems" and "Risk Appetite" above.

Based on its assessment and with reference to best practice provision 1.4.3 of the 2025 DCGC, the board of directors of Elastic confirms to the best of its knowledge:

- that the Report provides sufficient insights into failures in the effectiveness of the internal risk management and control systems;
- that these systems provide reasonable assurance that the financial reporting does not contain material inaccuracies;
- that these systems provide limited assurance that the sustainability reporting in the section titled "Environmental, Social and Governance Matters" of this Report does not contain material inaccuracies;

- that the board of directors as of April 30, 2026 is not aware that the internal risk management and control systems do not provide sufficient comfort that the operational and compliance risks identified in this Report are effectively managed considering the Company's risk appetite, where "sufficient comfort" is to be read as: comfort considering our risk appetite, the complexity of our enterprise, inherent limitations to these systems and other disclosures on these systems in our management report;
- that, based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis; and
- that the Report states the material risks, as referred to in best practice provision 1.2.1 of the DCGC, and the uncertainties, to the extent that they are relevant to the expectation of the Company’s continuity for a period of twelve months after the preparation of the report.

Due to inherent limitations to risk management and control systems, the above does not imply that these systems and procedures provide absolute assurance or comfort as to the realization of strategic, operations, compliance and reporting objectives, nor that they can prevent all misstatements, inaccuracies, fraud, operational issues, and non-compliance with laws and regulations.

The above statement is solely made for the purposes of compliance with best practice provision 1.4.3 of the 2025 DCGC, and does not constitute an attestation under the Sarbanes Oxley Act or any other form of in-control statement or attestation.

Tax Strategy of Elasticsearch Limited (“Elastic UK”)

This section outlines the approach adopted by Elastic UK in managing its tax obligations and activities. In making this tax strategy available, Elastic UK is fulfilling its responsibilities under paragraph 22(2) of Schedule 19 of the Finance Act 2016. It will be reviewed annually and updated as appropriate for legislative developments in the United Kingdom (“UK”).

Tax Governance and Risk Management

Elastic N.V., the parent entity of Elastic UK, employs an experienced global tax team. For direct corporate income, this team is led in the United States (“U.S.”) by the Vice President of Tax and Treasury of Elastic. For indirect tax matters, the team is based in the UK, the Netherlands, the U.S., and Singapore under the Vice President of Tax and Treasury of Elastic and the Vice President, Corporate Controller of Elastic. Our global tax team is part of the accounting function reporting to the Chief Accounting Officer of Elastic.

The tax team is accountable for day-to-day management of tax matters. Any decisions to be made in respect of uncertain tax issues will be subject to diligent professional care and judgment by the tax team. Elastic UK uses external tax advisors to provide the expert guidance necessary to assess tax risks and to ensure its compliance with applicable tax laws and regulations.

The Audit Committee of the Board of Elastic receives updates as to material changes in tax legislation that may impact the organization as well as details of uncertain tax positions.

Tax Planning Considerations

At all times, Elastic UK aims to comply with applicable tax obligations and laws in all jurisdictions and to act in a way which upholds its reputation as a responsible corporate body.

All intra-group transactions are conducted on an arm’s length basis and in accordance with the other guidelines laid down by the Organization for Economic Co-operation and Development and in line with other domestic legislation and documentation requirements.

We are committed to conducting our tax affairs to the highest standards and in line with the Elastic’s code of conduct, while also complying with all applicable anti-bribery, money laundering, and anti-tax evasion legislation. We foster an open, honest, and constructive relationship with tax authorities whom we deal with. Our objective is to ensure that all filing positions are supported by strong technical grounds and, where clear, in the spirit of what the law is understood to have intended. Elastic does not engage in tax planning that lacks an independent business purpose. We will, however, claim properly available allowances, deductions, reliefs, credits, and incentives as appropriate.

Level of Acceptable Risk in Relation to UK Taxation

Elastic UK is not prescriptive about the level of tax risk which is acceptable for its business but is committed to paying the right amount of tax at the correct time. Elastic UK seeks to operate its tax affairs based on sound commercial principles and in accordance with relevant tax legislation. Elastic UK appropriately reviews and documents all of its material tax positions. Elastic UK believes that it does not pursue aggressive tax planning arrangements.

Relationship with HM Revenue & Customs (“HMRC”)

Elastic UK engages with taxing authorities, including HMRC, in a cooperative and compliant manner. We seek to make full and accurate disclosures in tax returns and in all correspondence with HMRC. Elastic UK will seek to resolve any disputed matters through proactive and transparent discussion with HMRC.

CORPORATE GOVERNANCE

Dutch Corporate Governance Code

Elastic is committed to good corporate governance and has implemented a robust governance structure that the Board believes remains most appropriate for the Company. As a Dutch company, Elastic's governance practices are governed by the Dutch Civil Code, DCGC, and other Dutch and European Union laws and regulations, as applicable. Additionally, because Elastic's ordinary shares are traded on the NYSE, Elastic also complies with the applicable listing standards of the NYSE in addition to U.S. securities laws.

Elastic complies with the relevant principles and best practice provisions of the DCGC (which are not binding, but apply on a "comply or explain" basis), except for the following:

Hierarchical Reporting of Internal Audit Function (best practice provision 1.3.5)

Pursuant to the written charter of our Audit Committee, our internal audit function reports the results of its audit to the Company's executive directors and to the Audit Committee in accordance with the DCGC at a minimum on a quarterly basis. However, as permitted by the charter, the Board has decided at its sole discretion to have the internal audit function report hierarchically to the CFO, who is not a member of the Board. We deem this reporting line most efficient as the CFO has the expertise required to oversee the internal audit department. The CFO reports directly to the CEO, who is a member of the Board.

Remuneration (best practice provisions 3.2.3, 3.3.2 and 3.3.3))

Consistent with Elastic's historical practices and market practices in the U.S., the trading jurisdiction of our ordinary shares, and in order to further support Elastic's ability to attract and retain the right highly qualified candidates for a Board position:

1. We have granted restricted stock units to non-executive directors and intend to continue to grant restricted stock units to non-executive directors. The restricted stock units are not subject to a five-year holding period. Elastic's directors generally may sell their vested shares at any time, subject to company policy and applicable securities regulations. Such remuneration is in accordance with the NYSE corporate governance requirements and market practice among companies listed on the NYSE. We are in competition with other companies in this field, and we intend to maintain an attractive compensation package for our current and future Board members so that we can remain competitive.
2. The agreements with our executive directors provide for (i) a severance payment in excess of one-year base salary in certain events and (ii) a severance payment if such agreement is terminated at the initiative of such executive director. We believe these severance provisions are consistent with U.S. market practice.

Majority requirements for dismissal and setting-aside binding nominations (best practice provision 4.3.3)

Pursuant to our articles of association, directors are appointed by the General Meeting on a binding nomination by the Board. A resolution of the general meeting of shareholders ("General Meeting") to overrule such binding nomination requires at least two-thirds of the votes cast representing more than half of our issued share capital. Although in deviation from the DCGC, this is in line with article 2:133 (2) of the Dutch Civil Code, which provides for the same majority and quorum requirements as included in our articles of association, and is considered to promote continuity within the Board. A two-thirds majority representing more than half of our issued share capital is also required for the dismissal of a director if such dismissal has not been proposed by the Board. Although in deviation from the DCGC, this is in line with article 2:134 (2) of the Dutch Civil Code.

Other Codes of Conduct or Corporate Governance Practices

In addition to the DCGC, Elastic is subject to and complies with our Code of Conduct and Corporate Governance Guidelines. The texts of Elastic's Code of Conduct and Corporate Governance Guidelines are publicly available on the Corporate Governance page of our Investor Relations website at ir.elastic.co.

General Meeting of Shareholders

The General Meeting is held in the Netherlands at the place where we have our corporate seat (Amsterdam), at Haarlemmermeer (Schiphol Airport), Rotterdam, or The Hague (the Netherlands). The annual General Meeting is held no later than six months after the end of the financial year on the date and hour and at the place mentioned in the convening notice. Additional extraordinary General Meetings may also be held whenever considered appropriate by the Board. Pursuant to Dutch law, one or more shareholders and others entitled to attend a General Meeting, who jointly represent at least one-tenth of the issued share capital, may request the Board to convene a General Meeting. If the Board has not taken the steps necessary to ensure that a General Meeting is held within the relevant statutory period after the request, the requesting person(s) may, at their request, be authorized by a court in preliminary relief proceedings to convene a General Meeting.

General Meetings are convened by a notice, which includes an agenda stating the items to be discussed, including for the annual General Meeting, among other things, the discussion and adoption of the financial statements, appropriation of our profits and proposals relating to the board of directors, including the filling of any vacancies in the Board. In addition, the agenda includes such items as have been included therein by the Board. One or more shareholders, alone or together, representing at least three percent of the issued share capital may also request to include items in the agenda of a General Meeting. Requests must be made in writing and received by the Board at least sixty days before the day of the meeting. No resolutions will be adopted on items other than those which have been included in the agenda. In accordance with the DCGC, a shareholder may request the inclusion of an item on the agenda only after consulting the Board in that respect. If one or more shareholders intend to request that an item be put on the agenda for a General Meeting that may result in a change in the company's strategy, pursuant to the DCGC the Board may invoke a response time of a maximum of one hundred and eighty days. Furthermore, with respect to certain shareholder proposals, the Board may invoke a response time of a maximum of two hundred and fifty days in accordance with article 2:114b of the Dutch Civil Code.

The General Meeting is presided over by the non-executive director designated as lead independent director, or the Lead Independent Director, or, if such director is absent, by the vice chairperson of the board of directors. Members of the Board may attend a General Meeting. In these meetings, they have an advisory vote. The chairperson of the meeting may decide at their discretion to admit other persons to the meeting.

The external auditor of the company may attend the annual General Meeting in which the financial statements are discussed.

Board of Directors

The board of directors of the Company is responsible for establishing broad corporate policies and overseeing the overall performance of the Company. The board of directors selects the Company's senior management, delegates authority for the conduct of the Company's day-to-day operations to senior management, and monitors their performance. Members of the board of directors exercise their oversight role by, among other actions, participating in meetings of the board of directors and committees and by reviewing analyses and reports provided to them.

We have a one-tier board of directors, consisting of executive and non-executive directors. The board of directors determines the number of executive and non-executive directors.

The board of directors is currently composed of eight directors. We have two executive directors, our Chief Executive Officer and our Chief Technology Officer, and six non-executive directors.

We have a classified board of directors in which directors serve for staggered terms. Under the Company's articles of association, each director may be appointed for a maximum term of three years, provided that the director's term will lapse immediately after the close of the first annual General Meeting held after three years (or less if the term is shorter than three years) have lapsed since the director's appointment, or until the director's earlier death, resignation or removal. A director may be reappointed, and the three-year maximum term may be deviated from, by resolution of the General Meeting of shareholders upon a proposal of the board of directors.

As of August 26, 2026, the Board was composed as follows:

Name	Age	Position	Nationality	Date of Appointment	Term expires (AGM held in)
Ashutosh Kulkarni	51	Executive Director and Chief Executive Officer ("CEO")	United States	March 2022	2028
Shay Banon	48	Executive Director, And Chief Technology Officer ("CTO")	Israel	July 2012	2027
Chetan Puttagunta (1)(3)	40	Non-executive Director Chairperson and Lead Independent Director	United States	January 2017	2027
Paul Auvil (1)(2)	62	Non-executive Director and Vice-Chairperson	United States	October 2023	2026
Alison Gleeson (2)	61	Non-executive Director	United States	January 2020	2026
Shelley Leibowitz (1)(3)	65	Non-executive Director	United States	October 2021	2027
Caryn Marooney (2)(3)(4)	59	Non-executive Director	United States	April 2019	2026
Steven Schuurman	50	Non-executive Director	Netherlands	July 2012	2028

(1) Member of the Audit Committee

(2) Member of the compensation committee of the Board (the "Compensation Committee")

(3) Member of the nominating and corporate governance committee of the Board (the "Nominating and Corporate Governance Committee")

(4) Ms. Marooney has been a non-executive director during the full fiscal year to which this report pertains. On August 24, 2026, Ms. Marooney gave notice of her decision not to stand for re-appointment to the Board at the Company's upcoming General Meeting. On August 26, 2026, the Board nominated Ms. Liuson to stand for appointment to the Board as a non-executive director at the 2026 General Meeting.

Executive Directors

Age: 51

Ashutosh Kulkarni (Chief Executive Officer)

Background and Experience

Ashutosh Kulkarni has served as our CEO since January 2022 and as a member of our board of directors since March 2022. Mr. Kulkarni previously served as our Chief Product Officer ("CPO") from January 2021 to January 2022.

- Prior to joining us, Mr. Kulkarni served as Executive Vice President and Chief Product Officer, Enterprise Business Group, at McAfee, a digital provider of cybersecurity services, from October 2018 until December 2020.
- Prior to joining McAfee, Mr. Kulkarni served as Senior Vice President and General Manager at Akamai Technologies, a content delivery network, cybersecurity, and cloud service company, in the Web Performance and Web Security division from August 2016 to October 2018 and in the Web Experience division from August 2015 to August 2016.
- Prior to that service, Mr. Kulkarni held various senior leadership, product management, product marketing and engineering roles at Akamai Technologies, Informatica, and Sun Microsystems.

Education	Qualifications
Mr. Kulkarni earned an M.S. in computer engineering from the University of Texas at Austin, an M.B.A. degree from the University of California, Berkeley and a B.E. in engineering from the University of Mumbai.	The board of directors believes that Mr. Kulkarni is qualified to serve as a member of the board of directors because of the perspective he brings as our CEO, our former CPO, and his experience as an executive in the technology industry.

Age: 48

Shay Banon (Chief Technology Officer)

Background and Experience

Shay Banon co-founded our Company and has served as a member of our board of directors since July 2012 and as our CTO since January 2022. Mr. Banon served as our CEO from May 2017 to January 2022, and as our Chairperson and CEO from June 2018 to January 2022. He previously also served as our CTO from July 2012 to April 2017. Mr. Banon is the creator of our Elasticsearch product.

Education	Qualifications
Mr. Banon holds a B.Sc. in Computer Science from Technion, Israel Institute of Technology.	The board of directors believes that Mr. Banon is qualified to serve as a member of our board of directors because of the perspective and experience he brings as our CTO, our prior CEO and co-founder, and his experience as an executive in the technology industry.

Non-executive Directors

Chetan Puttagunta (Chairperson and Lead Independent Director)

Background and Experience

Chetan Puttagunta has served as a member of our board of directors since January 2017, as our Chairperson since January 2022, and as our Lead Independent Director since June 2018. Mr. Puttagunta has served as General Partner of Benchmark Capital Partners, a venture capital firm, since July 2018.

Age: 40

Nominating and Corporate Governance Committee (Chair)

Audit Committee

From October 2016 until July 2018, Mr. Puttagunta served as a General Partner of New Enterprise Associates, a venture capital firm he joined in April 2011.
Mr. Puttagunta also serves on the boards of directors of various private companies.

Education	Qualifications
Mr. Puttagunta holds a B.S. in Electrical Engineering from Stanford University.	The board of directors believes that Mr. Puttagunta is qualified to serve as a member of our board of directors because of his knowledge of the technology industry and his extensive experience in the venture capital industry.

Paul Auvil (Vice-Chairperson)

Background and Experience

Paul Auvil has served as a member of our board of directors since October 2023.

- From March 2007 to February 2023, Mr. Auvil served as the CFO of Proofpoint, an enterprise security company that provides software as a service and products for email security, data loss prevention, electronic discovery, and email archiving.
- From September 2006 to March 2007, Mr. Auvil was an entrepreneur-in-residence with Benchmark Capital, a venture capital firm. Prior to that position, from 2002 to July 2006, he served as the CFO at VMware, a virtualization company. Previously, he served as the CFO for Vitria Technology, an eBusiness platform company, and held various executive positions at VLSI Technology, a semiconductor and circuit manufacturing company, including Vice President of the Internet and Secure Products Division.
- Mr. Auvil currently also serves on the board of directors of Cerebras, an artificial intelligence chipmaker, where he is the audit committee chair. Previously served on the board of directors of 1Life Healthcare (doing business as One Medical) from September 2019 to February 2023, when it was acquired by Amazon.
- Mr. Auvil currently also serves on the board of directors of Cerebras, an artificial intelligence chipmaker, where he is the audit committee chair.
- Mr. Auvil also serves on the boards of directors of various private companies.

Age: 62

Audit Committee (Chair)

Compensation Committee

Education	Qualifications
Mr. Auvil holds a Bachelor of Engineering degree from Dartmouth College and a Master of Management degree from the J.L. Kellogg Graduate School of Management, Northwestern University.	The board of directors believes that Mr. Auvil is qualified to serve as a member of our board of directors because of his prior experience as CFO of public technology companies and his current and prior executive and directorship experience for multiple large public and private technology companies.

Alison Gleeson

Background and Experience

Alison Gleeson has served as a member of our board of directors since January 2020. She has served as a sales strategic advisor to Verkada, a professional monitoring and video verification threat detection company, since August 2021, and as Special Advisor and Operating Committee Member at Brighton Park Capital, an investment firm, since October 2019.

From November 2018 to September 2019, Ms. Gleeson was a private investor.
From January 1996 to October 2018, Ms. Gleeson served in various roles with Cisco, a provider of software-defined networking, cloud and security solutions, most recently as Senior Vice President, Americas from July 2014 to October 2018.
Ms. Gleeson currently also serves on the boards of directors of 8x8, a cloud-based provider of voice over IP products, where she is the compensation committee chair, ZoomInfo Technologies, a comprehensive sales and marketing intelligence software-as-a-service platform, where she is the nominating and corporate governance committee chair and a member of the compensation committee, and various private companies.

Age: 61

Compensation Committee (Chair)

Education	Qualifications
Ms. Gleeson holds a B.A. in Marketing from Michigan State University.	The board of directors believes that Ms. Gleeson is qualified to serve as a member of our board of directors because of her prior executive and go-to-market experience for a large public company.

Age: 65

Audit Committee

Nominating and Corporate Governance Committee

Shelley Leibowitz

Background and Experience

Shelley Leibowitz has served as a member of our board of directors since October 2021. Ms. Leibowitz has served since January 2016 as President of SL Advisory, which provides advice and insights in innovation and digital transformation, information technology portfolio and risk management, digital trust, performance metrics, and effective governance.

From 2009 through 2012, Ms. Leibowitz served as Chief Information Officer for the World Bank Group.
Prior to that service, Ms. Leibowitz held Chief Information Officer positions at leading financial institutions, including Morgan Stanley, a global financial services firm, and Greenwich Capital Markets, a fixed income financial services firm.
She currently serves as a director of Morgan Stanley. Previously she served as a director of Massachusetts Mutual Life Insurance Company, an insurance and financial services provider, from October 2019 to April 2021, E*Trade Financial Corporation, a financial services company, from December 2014 to October 2020, and AllianceBernstein Holding L.P., a global asset management firm, from November 2017 to June 2019.
Ms. Leibowitz also serves on the boards of directors of private companies in the cybersecurity and risk arenas.

Education	Qualifications
Ms. Leibowitz holds a B.A. in Mathematics from Williams College.	The board of directors believes that Ms. Leibowitz is qualified to serve as a member of our board of directors because of her current and prior executive and directorship experience and extensive leadership and experience in technology services, digital transformation, and information security.

Age: 59

Compensation Committee

Nominating and Corporate Governance Committee

Caryn Marooney

Background and Experience

Caryn Marooney has served as a member of our board of directors since April 2019. She has served as a General Partner of Coatue Management, a technology-focused venture capital firm, since November 2019.

From May 2011 to May 2019, Ms. Marooney served in various roles at Meta (formerly Facebook), a social networking and technology company, most recently serving as Vice President, Global Communications from March 2012 to May 2019.
From June 1997 to March 2011, Ms. Marooney served in various roles, including President and CEO, with The OutCast Agency, a public relations firm.
Ms. Marooney served as a member of the board of directors of Zendesk, a software development company that provides a software-as-a-service customer service platform, from January 2014 to May 2020.
Ms. Marooney also serves on the boards of various private companies.

Ms. Marooney decided not to stand for re-appointment at the upcoming General Meeting. As such, her term will end at the conclusion of that meeting. Ms. Marooney has served on our Board since April 2019, and we are grateful for her dedication and contributions to our Company during this period.

Education	Qualifications
Ms. Marooney holds a B.S. in Labor Relations from Cornell University.	The board of directors believes that Ms. Marooney is qualified to serve as a member of our board of directors because of her prior executive experience and her experience advising technology companies.

Age: 50

Steven Schuurman

Background and Experience

Steven Schuurman co-founded our Company and has served as a member of our board of directors since July 2012 and previously served as our CEO from July 2012 to May 2017. Mr. Schuurman serves on the boards of various private companies and is a private investor in both public and private companies.

Education	Qualifications
Mr. Schuurman holds a B.Sc. in Electrical Engineering from TH Rijswijk, now known as The Hague University of Applied Sciences.	The board of directors believes that Mr. Schuurman is qualified to serve as a member of our board of directors because of his deep understanding of our business, operations, and strategy due to his role as our co-founder and former CEO.

* **Sohaib Abbasi** joined as a non-executive director of our board of directors in 2022 and stepped down during the past fiscal year at the annual General Meeting held on September 30, 2025. He served as Vice-Chairperson of our board of directors and was a member of the Compensation Committee.

Attendance of meetings of the board of directors

During fiscal 2026, the board of directors held four meetings, all of which were regularly scheduled meetings, which were attended by all our current directors during the periods in which they served as directors. However, both Mr. Abbasi (during the period in which he was a director) and Mr. Schuurman could both not attend one meeting during fiscal 2026. All committee meetings were attended by the relevant directors as well. During fiscal 2026, the board of directors also acted by written consent in lieu of a meeting.

Although we do not have a formal policy regarding attendance by members of our board of directors at annual General Meetings, we encourage our directors to attend these meetings. All of our directors that were standing for re-appointment attended the annual General Meeting on September 30, 2025.

Activities of and Evaluation by the Non-Executive Directors

The non-executive directors have overseen management and the functioning of the Board, and provided advice to our executive directors and senior management, including overseeing the executive directors and senior management's execution of Elastic's strategy and monitoring the general affairs of the Company and business connected with it as described in the Company's relevant governance documents. The directors on the Board and its committees received extensive information and input from multiple layers of management and external advisors, engaged in detailed and robust discussion and analysis regarding matters brought before them (including in executive session) and consistently and actively engaged in the development and approval of significant corporate strategies.

The non-executive directors, assisted by the Nominating and Corporate Governance Committee, have discussed at least once during the fiscal year to which this report pertains (i) their own functioning, the functioning of the Board committees and the individual members thereof, and discussed the conclusions that may be drawn on the basis thereof, (ii) the desired profile, composition and competence of the Board, and (iii) the functioning of the Board and the performance by the individual directors of their duties, and discussed the conclusions that may be drawn on the basis thereof.

The non-executive directors also discussed the Company's strategy and the main risks associated with its business, the results of the evaluation by the Board of the design and effectiveness of the internal risk management and control systems, as well as any significant changes thereto.

The Board and each committee conduct an annual self-evaluation by their respective members. These evaluations are intended to facilitate an examination and discussion by the entire Board and each committee of its effectiveness as a group in fulfilling its charter requirements and other responsibilities, its performance, and areas for improvement. The Nominating and Corporate Governance Committee supervises the format for each annual self-evaluation and, as appropriate, may use evaluation results in assessing and recommending the characteristics and critical skills required of prospective candidates for appointment to the Board and making recommendations with respect to assignments of its members to various committees.

The evaluation described above takes place based on the aforementioned self-evaluation.

The Board has discussed the conclusions from the evaluation described above. The main conclusion was that, overall, our directors are satisfied with the functioning of, and their respective memberships of, the Board and, where relevant, its committees.

The Board and/or individual members will participate from time to time in director educational seminars, conferences and other director education programs presented by external and internal resources, on matters that may relate to, among other topics, compensation, products and new technology, strategic initiatives, corporate governance and regulatory matters, risk oversight, including artificial intelligence, cybersecurity risk management, business, industry, audit and accounting, credit and financial, and other current issues confronting boards of directors of public companies.

Committees of the Board

The Board has the authority to appoint committees to perform certain management and administrative functions. The Board has established an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee, each of which has the composition and responsibilities described below. Members will serve on these committees until their resignation or until otherwise determined by the Board. Executive directors may not be members of the Audit Committee, Compensation Committee or the Nominating and Corporate Governance Committee. The Board may from time to time establish ad hoc committees. Each committee operates under a written charter, a current copy of which, along with our articles of association, board rules and corporate governance guidelines, are available on the Corporate Governance page of our Investor Relations website at ir.elastic.co.

Audit Committee

Our Audit Committee is composed of Messrs. Auvil and Puttagunta and Ms. Leibowitz, each of whom is a non-executive member of our board of directors. Mr. Auvil is the chair of our Audit Committee. Our board of directors has determined that each member of our Audit Committee satisfies the requirements for independence under the DCGC and independence and financial literacy under the rules of the NYSE and the U.S. Securities and Exchange Commission (“SEC”). Our board of directors has also determined that Mr. Auvil qualifies as an “audit committee financial expert” as defined in the rules of the SEC and possesses accounting or related financial management expertise as required under the NYSE rules. The Audit Committee is responsible for exercising oversight with respect to the following matters, among others:

- our accounting and financial reporting processes;
- the integrity and audits of our consolidated financial statements and financial reporting process;
- our systems of disclosure controls and procedures and internal control over financial reporting;
- our compliance with financial, legal and regulatory requirements related to our financial statements and other public disclosures, our compliance with our policies related to such matters, and our policy in respect of tax planning;
- establishment and oversight of procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or audit matters, as well as overseeing confidential or anonymous submissions received under our Whistleblowing Policy or Code of Conduct;
- the engagement and retention of the registered independent public accounting firm to audit our financial statements prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and the recommendation for nomination by our Board for the instruction (appointment) by our general meeting of an external auditor to audit the Dutch Statutory Financial Statement and board report, and the evaluation of the qualifications, independence, and performance of the independent registered public accounting firm, including the provision of non-audit services;
- the application of information and communication technology;
- the role and performance of our internal audit function;
- significant cybersecurity matters and concerns, including information security, data protection, related legal and regulatory matters and compliance, and the impact of cybersecurity incidents and responses to such incidents;
- significant tax and treasury matters, including, among others, tax planning and compliance, cash management, investing activities and currency exposures and approval of policies related to such matters;
- review of transactions with related persons in accordance with our related person transactions policy;
- our overall risk profile;
- the annual review and assessment of the Audit Committee's own performance, as well as the annual review and reassessment of the adequacy of the Audit Committee's charter; and
- such other matters as are specifically delegated to our Audit Committee by our Board from time to time.

During fiscal 2026, our Audit Committee held seven meetings and also acted by unanimous written consent. The Audit Committee discussed matters relating to the following topics, among others: the engagement, annual performance review and evaluation (appointment, compensation, retention, oversight and plan), independence determination, and nomination for appointment by our shareholders of the Company's independent auditor, PricewaterhouseCoopers LLP and PricewaterhouseCoopers Accountants N.V.; Elastic's quarterly financial reports on Form 10-Q, annual report on Form 10-K, and related earnings and anticipated future financial results; Elastic's Dutch statutory board report and financial statements for the fiscal year ended April 30, 2025; the Audit Committee's annual performance review and evaluation, Elastic's accounting, financing, legal, and tax matters and tax strategy; Elastic's internal audit function and plan; Elastic's assessment of its disclosure controls and procedures and internal controls; Elastic's proxy statement for the annual General Meeting held on September 30, 2025 and the Audit Committee Report included therein; Elastic's related person transactions policy; Elastic's cash investment policy and investment performance; Elastic's business integrity program, whistleblower reports, litigation matters and investigations; data privacy; Elastic's Directors & Officers liability insurance program; Elastic's corporate governance documents and policies and the audit committee charter; updates from the Company's Chief Information Security Officer on Elastic's information technology, information security and cybersecurity; AI; Elastic's assessment of enterprise, financial and operational risks and associated initiatives; tax legislation; accounting organization and other accounting matters; evolving regulations applicable to Elastic, including but not limited to the Corporate Sustainability Reporting Directive; a share repurchase program for the Company; an accelerate close initiative; pre-approval of non-audit services; potential SEC rule proposals; and risks associated with its business. The Audit Committee also participates in regular incident response table top exercises.

Compensation Committee

Our Compensation Committee is composed of Mses. Gleeson and Marooney and Mr. Auvil, each of whom is a non-executive member of our board of directors. Ms. Gleeson is the chair of our Compensation Committee. Our board of directors has determined that each member of our Compensation Committee meets the requirements for independence under the rules of the NYSE and the SEC and is a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act. The Compensation Committee is responsible for the following matters, among others:

- reviewing and approving the compensation, including equity compensation, change-in-control benefits and severance arrangements, of our executive officers (other than the executive directors, whose compensation the Compensation Committee instead recommends for approval by the board of directors) and other senior management and overseeing their performance;
- reviewing and making recommendations to our board of directors with respect to the compensation of our directors;
- reviewing and making recommendations to our board of directors with respect to our executive compensation policies and plans;
- reviewing and discussing annually with management the risks arising from our compensation philosophy and practices;
- implementing and administering our incentive and equity-based compensation plans;
- determining or, with respect to our executive directors, recommending to the board of directors the number of shares underlying, and the terms of, restricted share awards and options to be granted to our directors, executive officers, and other employees pursuant to these plans;
- assisting management in complying with our proxy statement and annual report disclosure requirements and evolving regulations related to such requirements;
- producing a report on executive compensation to be included in our annual proxy statement;
- assisting our board of directors in producing the compensation report to be included in our annual report filed in the Netherlands and to be posted on our website in accordance with best practices of the DCGC;
- reviewing matters related to human capital management, including corporate culture, employee engagement, recruitment, and talent management;
- annually reviewing and assessing the Compensation Committee's own performance, as well as reviewing and reassessing the adequacy of the Compensation Committee's charter; and
- attending to such other matters as are specifically delegated to our Compensation Committee by our board of directors from time to time.

Our Compensation Committee held four meetings during fiscal 2026 and discussed matters relating to the following topics, among others: annual attrition, human capital disclosures, recommendation to the Board with respect to the executive directors' compensation; compensation of non-executive directors; compensation and other employment terms of the executive officers and other senior management; the Company's peer group of companies for conducting the Company's executive compensation assessments and directional plans; the Company's executive compensation program as compared to those of the Company's peers; matters relating to the Company's cash and equity incentive plans and programs; the Company's 401k and non-qualified deferred compensation plans; the "Remuneration" section of Elastic's Dutch statutory board report; executive performance; absence of conflicts of interest with the compensation consultant and legal counsel; the Compensation Committee charter; compensation risk assessment, compensation disclosure requirements, and shareholder votes required under U.S. federal securities laws; the Compensation Committee's self evaluation; the annual equity program spend, dilution analyses and burn rate, Say-on-Pay vote results, annual review of our executive directors, the CEO Pay Ratio disclosure, ongoing shareholder engagement efforts, amendments to the Share Ownership Policy and the Non-Executive Director Compensation Policy, and considerations for the renewal of the 2012 Stock Option Plan. In addition, the Compensation Committee approved certain equity grants to employees. The Compensation Committee also acted by unanimous written consent during fiscal 2026.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee is composed of Mr. Puttagunta and Mses. Leibowitz and Marooney, each of whom is a non-executive member of our board of directors. Mr. Puttagunta is the chair of our Nominating and Corporate Governance Committee. Our board of directors has determined that each member of our Nominating and Corporate Governance Committee meets the requirements for independence under the rules of the NYSE. The Nominating and Corporate Governance Committee is responsible for the following matters, among others:

- identifying, recruiting, and recommending to our board of directors qualified candidates for appointment as directors and recommending nominees for appointment as directors at our annual general meeting of shareholders;
- developing and recommending to our board of directors corporate governance guidelines as set forth in our rules of the board of directors, including the selection criteria for director nominees, and implementing and monitoring such guidelines;
- overseeing compliance with legal and regulatory requirements applicable to us;
- reviewing and making recommendations on matters involving the general operation of our board of directors, including board size and composition, and committee composition and structure;
- recommending to our board of directors nominees for each committee of our board of directors;
- reviewing the succession planning process for the Chief Executive Officer, executive directors, non-executive directors, and other members of the executive management team, and assisting the board of directors in evaluating potential successors;
- annually facilitating the assessment of our board of directors' performance as a whole and of the individual directors, and the performance of our committees of the board of directors as required by applicable law, regulations, corporate governance guidelines, and securities exchange listing standards;
- overseeing, and periodically reviewing, our environmental, social and governance activities, programs and public disclosure, including in light of any feedback received from relevant stakeholders of the Company;
- annually reviewing and assessing the Nominating and Corporate Governance Committee's own performance, as well as annually reviewing and reassessing the adequacy of the Nominating and Corporate Governance Committee's charter; and
- overseeing our board of directors' evaluation of executive officers.

During fiscal 2026, our Nominating and Corporate Governance Committee held two meetings and also acted by unanimous written consent. The Nominating and Corporate Governance Committee discussed matters relating to the following topics, among others: Board composition and structure, functioning and size; director nomination and potential new director candidates; Board diversity requirements; selection criteria and appointment procedures for new Board members and senior executives; succession planning; annual Board and committee evaluations; induction program for Board members; ESG and sustainability matters; recommendations to the Board regarding the following matters: annual assessments of the directors' independence, designations of Chairperson, Vice Chairperson, Lead Independent Director, confirmation of the appointment of committee members and chairpersons, determination of "audit committee financial experts, and confirmation of executive officers and Section 16 officers; nominations for director appointments; review of corporate governance documents and policies; and the Nominating and Corporate Governance Committee charter; Elastic's proxy statement for the annual General Meeting held on September 30, 2025; Elastic's Dutch statutory board report and financial statements for the fiscal year ended April 30, 2025; the Board skills matrix; the Nominating and Corporate Governance Committee's annual performance review; shareholder engagement strategy, including the Company's defense preparedness plan, activism response plan, and defense profile; and new and upcoming regulations. The Nominating and Corporate Governance Committee also acted by unanimous written consent during fiscal 2026.

Diversity

Cultivating a workforce with broad perspectives and experiences has a powerful impact on our culture and performance and helps to promote impactful results. We also take into consideration Dutch laws with respect to gender ambitions (both male and female) for senior management, including requirements to set appropriate and ambitious gender diversity targets. We currently have an aspirational goal to have at least 1/3 female members and at least 1/3 male members in our Board, including each sub-group of executive directors and non-executive directors, as well as at least 1/3 female members and at least 1/3 male members in our senior management team (excluding executive directors that are part of our senior management team). The Board currently comprises three female directors and five male directors. The composition of the Board meets the diversity objectives with respect to the Board as a whole and the sub-group of non-executive directors, but does not currently meet the diversity objective with respect to the sub-group of executive directors. Currently, three of five members of our senior management team, excluding executive directors, are female.

REMUNERATION REPORT

Pursuant to Section 2:135(1) DCC, our General Meeting has adopted a remuneration policy for our Board members (the “Remuneration Policy”).

In this Remuneration Report, an overview is provided of the Remuneration Policy for the Board and the application thereof in fiscal 2026. For details regarding the remuneration of the Board in fiscal 2026, see Consolidated Financial Statements - Notes to the Consolidated Financial Statements - *Note 30 Related parties*.

Remuneration Policy

The Remuneration Policy supports the long-term development of the Company in a highly dynamic environment, while aiming to fulfill all stakeholders’ requirements and keeping an acceptable risk profile.

The purpose of the Remuneration Policy is to define a competitive remuneration package, designed to attract, retain, and motivate directors who possess the necessary leadership qualities and the requisite skills and experience in the various aspects of the Company’s business. The policy acknowledges the internal and external context as well as our business needs and long-term strategy. The policy is designed to encourage behavior that is focused on sustainable long-term value creation, while adopting the highest standards of good corporate governance. The policy is aimed at motivating outstanding achievements, using a combination of non-financial and financial performance measures.

The policy aims to ensure that directors’ interests are closely aligned to those of the Company’s stakeholders, including the shareholders, and to incentivize directors to achieve short-term and long-term objectives of substantially increasing the Company’s equity value. When determining director remuneration, the Compensation Committee and the Board take into consideration the Company's strategy and core values, which are focused on long-term direction and continuity, and address the interests of all the Company's stakeholders.

The Board is currently not contemplating to propose any change to the Remuneration Policy or the implementation thereof in the upcoming fiscal years.

Remuneration of Executive Directors

The remuneration package for the executive directors is determined by the non-executive directors on the Board, without any involvement of any executive director, in accordance with the Remuneration Policy and the Compensation Committee charter.

Executive director remuneration includes a fixed base salary and a variable component comprised of short-term and long-term variable incentives. An executive director also receives certain minimal perquisites and retirement and health benefits, as well as severance payment or change of control protections.

- ***Fixed component: base salary:*** The base salary of the executive directors is set at a competitive level, taking into account the skills, competencies, experience, scope of duties and performance of the executive director.
- ***Variable remuneration:*** The executive directors are granted variable compensation in the form of short-term and long-term incentives. The objective of the performance-related variable remuneration payment is to incentivize and reward strong short-term and long-term financial and personal performance and the implementation of strategic imperatives.
  - *Short-term incentive*: A short-term incentive generally consists of an annual performance-based cash bonus. The performance test includes criteria reflecting the Company’s financial performance and may also include quantitative or qualitative criteria related to the Company’s non-financial performance or to individual performance, or both, as set out in the Company’s incentive compensation plan (the “Bonus Plan”), or any successor plan or arrangement adopted and implemented by the Company. The non-executive directors on the Board may also award cash bonuses to an executive director for specific transactions that the non-executive directors on the Board, in their discretion, deems exceptional in terms of strategic importance and effect on the Company’s results.

- *Long-term incentive – equity compensation*: Long-term incentives are granted under the Company's then-current stock option plan, which upon adoption of this policy is the "Option Plan" setting out the appropriate terms and conditions under which various equity-based incentives can be awarded. In determining the long-term incentive component of an executive director's remuneration, the Compensation Committee and/or the non-executive directors on the Board consider any factors that they deem relevant. The Company uses equity awards to incentivize and reward the executive officers for long-term corporate performance based on the value of the Company's ordinary shares and, thereby, to align the executive director's interests with the interests of our shareholders. The realized value of these equity awards bears a direct relationship to the Company's share price, and, therefore, these awards are an incentive for the executive directors to create value for our shareholders. Equity awards also help the Company retain our senior officers in a highly competitive market and as such contribute to the long-term value creation for all of the Company's stakeholders.
    - For example, in fiscal 2026, we issued equity compensation in the form of restricted stock units and performance share units to our executive directors. These forms of long-term incentives issued are based on the achievement of certain criteria such as continued service, the Company's attainment of a certain amount of total revenue in fiscal 2026, and, in the case of a one-time award granted to our CEO during the past fiscal year, achievement of certain share price goals. Additional information on our equity compensation restricted stock units and performance share units can be found in the Company's proxy statement filed with the SEC, which is available on the Company's website.
- *Incentive Compensation Plan*: The Company has a Bonus Plan that allows the Compensation Committee and/or the non-executive directors on the Board to provide cash incentive awards to executive directors and selected employees, based upon performance goals established by the Compensation Committee. The Bonus Plan enables the Compensation Committee to provide cash incentive awards to selected employees, including our Named Executive Officers (other than the executive directors), based upon the Company's actual achievement as measured against performance metrics established by the Compensation Committee. In the case of the executive directors, the performance metrics for their cash incentive awards and the actual payment of the awards are established by the non-executive directors serving on the Board, upon the recommendation from the Compensation Committee.

  Under the Bonus Plan, the Compensation Committee will determine the performance goals applicable to any award, which goals may include, without limitation: (i) attainment of research and development milestones, (ii) bookings, (iii) business divestitures and acquisitions, (iv) calculated billings, (v) cash flow, (vi) cash position, (vii) contract awards or backlog, (viii) customer renewals, (ix) customer retention rates from an acquired company, subsidiary, business unit or division, (x) earnings (which may include earnings before interest and taxes, earnings before taxes, and net taxes), (xi) earnings per share, (xii) expenses, (xiii) gross margin, (xiv) growth in stockholder value relative to the moving average of the S&P 500 Index or another index, (xv) internal rate of return, (xvi) market share, (xvii) net income, (xviii) net profit, (xix) net sales, (xx) new product development, (xxi) new product invention or innovation, (xxii) number of customers, (xxiii) operating cash flow, (xxiv) operating expenses, (xxv) operating income, (xxvi) operating margin, (xxvii) overhead or other expense reduction, (xxviii) product defect measures, (xxix) product release timelines, (xxx) productivity, (xxxi) profit, (xxxii) retained earnings, (xxxiii) return on assets, (xxxiv) return on capital, (xxxv) return on equity, (xxxvi) return on investment, (xxxvii) return on sales, (xxxviii) revenue, (xxxix) revenue growth, (xl) sales results, (xli) sales growth, (xlii) stock price, (xliii) time to market, (xliv) total stockholder return, (xlv) working capital, and (xlvi) individual objectives such as peer reviews or other subjective or objective criteria.

  The Compensation Committee believes that the financial performance measures used in the Bonus Plan contribute to driving the creation of long-term stakeholder value, including shareholder value, and play an important role in influencing the performance of the executive directors and other officers of the Company that participate in the plan, who are most directly responsible for our overall success.

  Performance goals that include the Company's financial results may be determined in accordance with U.S. GAAP or such financial results may consist of non-GAAP financial measures and any actual results may be adjusted by the Compensation Committee for one-time items or unbudgeted or unexpected items when determining whether the performance goals have been met. The goals may be on the basis of any factors the Compensation Committee determines relevant, and may be adjusted on an individual, divisional, business unit or company wide basis. The performance goals may differ from participant to participant and from award to award.

The Compensation Committee may, in its sole discretion and at any time, increase, reduce or eliminate a participant's actual award, and/or increase, reduce or eliminate the amount allocated to the bonus pool for a particular performance period. The actual award may be below, at or above a participant's target award, at the Compensation Committee's discretion. The Compensation Committee may determine the amount of any reduction on the basis of such factors as it deems relevant, and it is not required to establish any allocation or weighting with respect to the factors it considers.

Actual awards will be paid in cash only after they are earned, which, unless otherwise determined by the Compensation Committee, requires continued employment through the date a bonus is paid. The Compensation Committee will have the authority to amend, alter, suspend or terminate the Bonus Plan provided such action does not impair the existing rights of any participant with respect to any earned bonus.

- ***401(k) and Other Plans:*** The Company maintains a 401(k) plan for each executive director that is an employee based in the U.S. (i.e. our executive director Mr. Kulkarni). The 401(k) plan is intended to qualify under Section 401(k) of the United States Internal Revenue Code, (the "Internal Revenue Code") so that contributions to the 401(k) plan by employees or by the Company, and the investment earnings thereon, are not taxable to the employees until withdrawn, and so that contributions made by the Company, if any, will be deductible by the Company when made.

  The Company also maintains a non-qualified deferred compensation plan that enables select employees, including our executive officers in the United States to defer a portion of their base salary and commission or annual bonus payouts (as applicable), along with associated federal and state income taxes, which provides additional tax and financial planning flexibility and helps us to attract and retain top talent. The Company makes no matching contributions to this plan.

  The Company also maintains an employee stock purchase plan, in which our executive officers are entitled to participate.

- **Benefits:** An executive director may be entitled to allowances and/or benefits in kind. These allowances and benefits may be comprised of elements consistent with market practice (such as, but not limited to contributions to health care costs, fixed annual cost allowances or otherwise) or relate to specific international circumstances (such as, but not limited to, grossed-up costs relating to relocation, accidental and health insurance, housing, school and travel).

- **Severance payment:** Executive directors may be eligible for a severance payment on termination of office. This severance payment may be included in an employment agreement to provide for compensation for loss of income resulting from non-voluntary termination. Our executive directors' employment agreements also provide that they may be eligible to receive certain severance payments and benefits in connection with certain terminations of employment with the Company, including a termination of employment in connection with a change in control of the Company. A summary of the current terms of the employment agreements entered into with executive directors can be found in the Company's proxy statement filed with the SEC, which is available on the Company's website.

Scenario Analyses

For the purpose of the Remuneration Policy, non-executive directors have analyzed possible outcomes of the remuneration components and how these affect the remuneration of directors.

Adjustment to Variable Remuneration

In accordance with Dutch law, the variable remuneration of directors may be:

i. adjusted to an appropriate level if payment of the variable remuneration were to be unacceptable according to principles of reasonableness and fairness; or

ii. partly or fully clawed back, to the extent it was paid on the basis of incorrect information (i) underlying the targets to be achieved, or (ii) regarding the circumstances on which the bonus was made conditional.

No adjustments to the variable remuneration were made during fiscal 2026.

Additionally, as a public company listed on the NYSE, if we are required to restate our financial results due to our material noncompliance with any financial reporting requirements under the U.S. federal securities laws as a result of misconduct, the Chief Executive Officer and Chief Financial Officer may be legally required to reimburse Elastic for any bonus or other incentive-based or equity-based compensation they receive in accordance with the provisions of section 304 of the Sarbanes-Oxley Act of 2002.

Lastly, also in connection with rules and regulations associated with remaining listed on the NYSE, we have adopted an incentive-based compensation recovery policy for executive officers with respect to the recovery of erroneously awarded compensation.

CEO Pay Ratio

Presented below is the ratio of annual total compensation of our median compensated employee to that of Ashutosh Kulkarni, our CEO, in fiscal 2026.

The ratio presented below is a reasonable estimate calculated in a manner consistent with SEC rules and applicable guidelines. The SEC's rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices. The pay ratio reported by other companies may not be comparable to the pay ratio reported below, as other companies have different employee populations and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios. As a result, and as explained by the SEC when it adopted these rules, in considering the pay ratio disclosure, shareholders should keep in mind that the rule was not designed to facilitate comparisons of pay ratios among different companies, even companies within the same industry, but rather to allow shareholders to better understand and assess each particular company's compensation practices and pay ratio disclosures.

We identified the median employee using the following methodology:

For each member of the applicable employee population, we used the total of the employee's target cash compensation and equity awards received during fiscal year 2026. For employees paid other than in U.S. dollars, we converted their compensation to U.S. dollars using our anticipated exchange rate for fiscal year 2026. With respect to equity awards, we determined the grant date fair value of restricted stock units awarded during fiscal year 2026 computed in accordance with FASB ASC Topic 718 using the closing price of our ordinary shares as reported on the NYSE on the date of grant.

In determining our employee population, we considered the individuals other than our CEO who were employed by us on March 1, 2026, whether in a full-time, part-time or temporary capacity. We did not include any contractors, agency workers or other non-employees.

After identifying the median compensated employee, we then calculated the total fiscal year 2026 compensation for this individual using the same methodology we use to calculate the fiscal year 2026 amount reported for our CEO.

For fiscal 2026, the total compensation for our CEO, Mr. Kulkarni, was $46,961,904. The fiscal 2026 annual total compensation for our median compensated employee was $227,811. Thus, the ratio of our CEO's total fiscal year 2026 compensation to our median compensated employee's total fiscal year 2026 compensation was 206:1.

Neither the Compensation Committee nor our management used this pay ratio in making compensation decisions.

Remuneration of Non-executive Directors

Each non-executive director is eligible to receive compensation for service on the board of directors and its committees consisting of annual cash retainers and equity awards. Our board of directors has the discretion to revise non-executive director compensation as it deems necessary or appropriate, in accordance with our Remuneration Policy.

Cash Compensation. For fiscal 2026, all non-executive directors were eligible to receive the following cash compensation for their services:

- $40,000 per year for service as a board member;
- $20,000 per year additionally for service as Lead Independent Director;
- $27,500 per year additionally for service as chair of the Audit Committee;
- $12,500 per year additionally for service as an Audit Committee member;
- $20,000 per year additionally for service as chair of the Compensation Committee;
- $10,000 per year additionally for service as a Compensation Committee member;
- $11,000 per year additionally for service as chair of the Nominating and Corporate Governance Committee; and
- $6,000 per year additionally for service as a Nominating and Corporate Governance Committee member.

All cash payments to non-executive directors, or the retainer cash payments, are paid quarterly in arrears on a pro-rated basis.

Equity Compensation. For fiscal 2026, our non-executive directors were eligible for nondiscretionary, automatic grants of restricted stock units, except for any non-employee director who either (i) beneficially owns more than 2% of the outstanding and issued share capital of the Company, or (ii) is a partner or a member of any venture capital firm that owns securities of the Company representing more than 2% of the outstanding and issued share capital of the Company.

- *Initial award*. Any eligible non-executive director is granted an initial award of restricted stock units covering a number of shares having a grant date fair value equal to $225,000 pro-rated for the amount of time that remains in the 12-month period prior to the next scheduled annual General Meeting (or if the date of such annual General Meeting of the Company's shareholders is not known, the one-year anniversary of the most recent Annual Award referred to below granted to non-executive directors), rounded down to the nearest whole share (the "Initial Award"). The shares underlying the Initial Award will settle on the earlier of (i) the one-year anniversary of the date the Initial Award is granted or (ii) the day prior to the date of the annual General Meeting next following the date the Initial Award is granted, subject to continued service through the applicable vesting date.
- *Annual award*. For fiscal 2026, on the date of the General Meeting, each eligible non-executive director was eligible to be granted an award of restricted stock units covering a number of shares having a grant date fair value equal to $225,000 (the "Annual Award"). The shares underlying the Annual Award will settle on the earlier of (i) the one-year anniversary of the date the Annual Award is granted or (ii) the day prior to the date of the annual General Meeting next following the date the Annual Award is granted, subject to continued service through the applicable vesting date.

The grant date fair value is computed in accordance with GAAP.

Any award of restricted stock units granted under our non-executive director compensation policy will fully vest and become exercisable in the event of a change in control, as defined in our Amended and Restated 2012 Stock Option Plan (the "Stock Plan"), provided that the director remains a director through such a change in control. Further, our Stock Plan provides that in the event of a merger or such change in control, each outstanding equity award granted under our Stock Plan that is held by a non-executive director will fully vest, all restrictions on the shares subject to such award will lapse, and with respect to awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels, and all of the shares subject to such award will become fully exercisable, if applicable, provided such director remains a director through such merger or change in control.

Reimbursement of Expenses. The Company reimburses directors for reasonable expenses incurred to attend meetings of the Board and its committees. The Company makes the reimbursement in line with the Company's expense policy after it receives an invoice, including receipts (originals or copies) for the expenses paid.

Share Ownership Policy

The Company maintains a share ownership policy under which the CEO, other senior officers designated by the board of directors, and the Company's non-executive directors (which we collectively refer to as "covered persons") are required to own shares with a fair market value at least equal to:

- For the CEO, five times the CEO's annual base salary
- For senior officers, two times the senior officer's annual base salary
- For non-executive directors, five times the non-executive director's annual cash retainer

As of the date of this Report, senior officers subject to the policy included all of our executive officers and two additional officers of the Company.

The Company expects each covered person to (i) own shares with a fair market value at least equal to the value specified above within five years after becoming subject to the policy, and (ii) continue to own shares with at least such a fair market value for as long as such person qualifies as a covered person under the policy.

For purposes of the policy, owned shares include shares acquired:

- through open market purchases;
- through the Company's employee stock purchase plan; and
- upon exercise of options or settlement of other equity awards held by the covered person and issued pursuant to the Company's compensation plans.

Unexercised stock options and Company equity awards subject to vesting are not included in the ownership calculation.

Compliance with the policy is measured by the Compensation Committee annually as of the last day of each fiscal year, and management monitors ongoing compliance in conjunction with this policy and its insider trading preclearance administration.

RELATED PARTY DISCLOSURES

For information on related party transactions, see Consolidated Financial Statements - Notes to the Consolidated Financial Statements - *Note 30 Related parties*. Where applicable, best practice provisions 2.7.3, 2.7.4 and 2.7.5 of the DCGC, have been observed.

PROTECTIVE MEASURES

Under Dutch law, protective measures against takeovers are possible and permissible, within the boundaries set by Dutch law and Dutch case law. According to best practice provision 4.2.6 of the DCGC, it is considered best practice to provide a survey of our actual or potential anti-takeover measures, and to indicate in what circumstances it is expected that they may be used. Accordingly, we have set out below a number of provisions in the Articles of Association and corporate action that may be considered to be anti-takeover measures:

- Our board of directors has been authorized (i) to issue the Company's ordinary shares and grant rights to acquire the Company's ordinary shares in an amount up to 20% of the issued share capital of the Company as of August 21, 2025, and (ii) to restrict or exclude pre-emptive rights for issuances of ordinary shares and grants of rights to acquire ordinary shares under the aforementioned share issuance authorization up to a number of shares equal to 10% of the issued share capital of the Company as of August 21, 2025, in each case for a period of 18 months from September 30, 2025. Our board of directors will be seeking shareholder approval to renew this designation for an additional 18 months at the annual General Meeting in 2026.
- Our articles of association include provisions that may make it more difficult for a third party to acquire control over us or effect a change in our board of directors. These provisions include: a provision that directors can only be appointed upon nomination by our board of directors; a provision that directors may only be removed by a General Meeting by a two-thirds majority of votes cast representing more than half of our outstanding share capital (unless the removal was proposed by the board of directors); a requirement that certain resolutions, including an amendment of our articles of association, may only be adopted by our General Meeting if they are proposed by our board of directors; and a minimum shareholding threshold for shareholders to call shareholders meetings or to add items to the agenda of shareholder meetings.

The financial statements were approved by the board of directors and authorized for issue on August 26, 2026 and signed by:

Ashutosh Kulkarni (appointed March 9, 2022)
Executive Director & Chief Executive Officer
August 26, 2026

Shay Banon (appointed July 20, 2012)
Executive Director & Chief Technology Officer
August 26, 2026

Paul Auvil (appointed October 5, 2023)
Non-executive Director
August 26, 2026

Shelley Leibowitz (appointed October 1, 2021)
Non-executive Director
August 26, 2026

Alison Gleeson (appointed January 10, 2020)
Non-executive Director
August 26, 2026

Caryn Marooney (appointed April 25, 2019)
Non-executive Director
August 26, 2026

Chetan Puttagunta (appointed January 10, 2017)
Non-executive Director
August 26, 2026

Steven Schuurman (appointed July 20, 2012)
Non-executive Director
August 26, 2026

Elastic N.V.
Keizersgracht 281, 1016 ED, Amsterdam.
The Netherlands

CONSOLIDATED FINANCIAL STATEMENTS

Index to Financial Statements

Elastic N.V.
Consolidated Statements of Financial Position
April 30, 2026 and 2025
(in thousands U.S. dollars)

	Notes	As of April 30, 2026	As of April 30, 2025
Assets			
Non-current assets			
Property and equipment	5	$ 8,591	$ 6,589
Right-of-use assets	6	17,857	22,904
Intangible assets	24	372,997	335,492
Deferred contract acquisition costs	3	150,989	117,762
Deferred tax assets	20	582,046	199,722
Prepayments	11	11,455	12,725
Deposits		2,365	1,803
Total non-current assets		**1,146,300**	**696,997**
Current assets			
Deferred contract acquisition costs	3	106,447	86,205
Prepayments	11	66,412	50,382
Trade and other receivables	7	478,369	393,489
Marketable securities	8	601,537	669,717
Restricted cash		1,773	3,671
Cash and cash equivalents	10	768,725	727,543
Total current assets		**2,023,263**	**1,931,007**
Total assets		**$ 3,169,563**	**$ 2,628,004**
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital		$ 1,155	$ 1,113
Share premium		910,862	947,823
Treasury shares		(275,695)	(369)
Translation reserves		(27,959)	(25,401)
Other reserves		1,574,121	1,271,515
Accumulated losses		(934,303)	(1,271,359)
Total shareholders' equity	12	**1,248,181**	**923,322**
Liabilities			
Non-current liabilities			
Borrowings	13	570,895	569,729
Trade and other payables	15	19,292	8,187
Deferred income	14	52,502	50,340
Lease liabilities	6	13,860	16,357
Deferred tax liabilities	20	54,836	42,203
Total non-current liabilities		**711,385**	**686,816**
Current liabilities			
Trade and other payables	15	214,057	191,463
Deferred income	14	973,820	802,117
Current tax liabilities	20	15,839	15,358
Lease liabilities	6	6,281	8,928
Total current liabilities		**1,209,997**	**1,017,866**
Total liabilities		**1,921,382**	**1,704,682**
Total shareholders' equity and liabilities		**$ 3,169,563**	**$ 2,628,004**

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

Elastic N.V.
Consolidated Statements of Comprehensive Income/(Loss)
Years Ended April 30, 2026 and 2025
(in thousands U.S. dollars, except share and per share data)

		Year Ended April 30,	
		2026	2025
	Notes		
Revenue			
Subscription		$ 1,634,455	1,384,520
Services		104,876	98,776
Total revenue	16	**1,739,331**	**1,483,296**
Cost of revenue			
Subscription		310,478	282,959
Services		105,941	98,525
Total cost of revenue	29	**416,419**	**381,484**
Gross profit		**1,322,912**	**1,101,812**
Research and development		453,668	361,610
Sales and marketing		707,544	619,966
General and administrative		201,597	181,971
Restructuring and other related charges		—	225
Other income	18	(3,456)	(3,673)
Total operating costs	29	**1,359,353**	**1,160,099**
Operating loss		**(36,441)**	**(58,287)**
Finance costs	19	29,228	29,412
Finance income	19	(58,674)	(51,823)
Loss before income tax		**(6,995)**	**(35,876)**
Income tax benefit (expense)	20	344,051	(88,631)
Income/(Loss) for the year		**$ 337,056**	**$ (124,507)**
Net income/(loss) earnings per share attributable to ordinary shareholders	25		
Basic		$ 3.20	$ (1.20)
Diluted		$ 3.09	$ (1.20)
Other comprehensive income/(loss)			
Income/(Loss) for the year		$ 337,056	$ (124,507)
Items that may be subsequently reclassified to profit and loss			
Unrealized gain (loss)/income on marketable securities		(2,109)	3,995
Foreign currency translation differences for foreign operations		(2,558)	(5,561)
Total comprehensive income/(loss) for the year, net of tax		**$ 332,389**	**$ (126,073)**

The income (loss) for the year is wholly attributable to the owners of the Company.

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

Elastic N.V.
Consolidated Statements of Changes in Equity
Years Ended April 30, 2026 and 2025
(in thousands U.S. dollars)

	Share capital	Share premium	Treasury shares	Translation reserve	Other reserve	Accumulated losses	Total equity
Balance at April 30, 2024	**$ 1,071**	**$ 906,889**	**$ (369)**	**$ (19,840)**	**$ 1,003,716**	**$ (1,146,852)**	**$ 744,615**
Total comprehensive loss for the year:							
Loss for the year	—	—	—	—	—	(124,507)	(124,507)
Other comprehensive income/(loss):							
Unrealized gain on marketable securities	—	—	—	—	3,995	—	3,995
Foreign currency translation differences	—	—	—	(5,561)	—	—	(5,561)
Total comprehensive income/(loss) for the period	**—**	**—**	**—**	**(5,561)**	**3,995**	**(124,507)**	**(126,073)**
Contributions by owners							
Issuance of ordinary shares upon exercise of stock options	9	17,845	—	—	—	—	17,854
Issuance of ordinary shares upon release of restricted stock units	29	—	—	—	(29)	—	—
Issuance of ordinary shares under employee stock purchase plan	4	23,089	—	—	—	—	23,093
Share-based compensation expense	—	—	—	—	263,833	—	263,833
Balances at April 30, 2025	**$ 1,113**	**$ 947,823**	**$ (369)**	**$ (25,401)**	**$ 1,271,515**	**$ (1,271,359)**	**$ 923,322**
Total comprehensive income for the year:							
Profit for the year	—	—	—	—	—	337,056	337,056
Other comprehensive loss:							—
Unrealized loss on marketable securities	—	—	—	—	(2,109)	—	(2,109)
Foreign currency translation differences	—	—	—	(2,558)	—	—	(2,558)
Total comprehensive income/(loss) for the period	**—**	**—**	**—**	**(2,558)**	**(2,109)**	**337,056**	**332,389**
Contributions by owners							
Issuance of ordinary shares upon exercise of stock options	3	2,801	—	—	—	—	2,804
Issuance of ordinary shares upon release of restricted stock units	24		—	—	(24)	—	—
Issuance of ordinary shares under employee stock purchase plan	5	25,010	—	—	—	—	25,015
Reissuance of treasury shares upon release of restricted stock units	10	(64,772)	64,762	—	—	—	—
Share-based compensation expense	—	—	—	—	304,739	—	304,739
Repurchases of ordinary shares	—	—	(340,088)	—	—	—	(340,088)
Balances at April 30, 2026	**$ 1,155**	**$ 910,862**	**$(275,695)**	**$ (27,959)**	**$ 1,574,121**	**$ (934,303)**	**$ 1,248,181**

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

Elastic N.V.
Consolidated Statements of Cash Flows
April 30, 2026 and 2025
(in thousands U.S. dollars)

	Notes	Year Ended April 30, 2026	Year Ended April 30, 2025
Cash flows from operating activities			
Income/(Loss) for the year		$ 337,056	$ (124,507)
Adjustment for			
Depreciation	5	3,039	3,104
Amortization of intangibles	24	10,020	10,388
Amortization of premium and accretion of discount on marketable securities, net	19	(3,428)	(7,186)
Amortization of right-of-use assets	6	8,654	10,719
Amortization of debt issuance costs	13	1,166	1,117
Share-based compensation	17,29	304,739	263,833
Amortization of deferred contract acquisition costs	3	111,112	96,688
Change in income tax liability		28,492	22,502
Deferred tax		(369,075)	66,787
Foreign currency transaction loss (gain)		790	2,211
Other		1,595	376
Changes in operating assets and liabilities, net of impact of business acquisitions:			
Change in trade and other receivables		(81,330)	(53,060)
Change in deposits		(42)	368
Change in prepayments		(60,885)	(72,787)
Change in deferred contract acquisitions costs		(163,717)	(106,691)
Change in trade and other payables		45,095	25,220
Change in deferred income		168,620	147,112
Cash provided by operating activities		**341,901**	**286,194**
Cash paid for income taxes		(28,011)	(21,994)
Cash paid for interest		(23,976)	(24,191)
Net cash provided by operating activities		**289,914**	**240,009**
Cash flows from investing activities			
Acquisition of property and equipment	5	(5,092)	(4,345)
Business acquisitions, net of cash acquired	23	(36,828)	—
Acquisition of marketable securities		(528,885)	(549,574)
Sales, maturities, and redemptions of marketable securities		597,397	435,251
Restricted cash		1,898	(979)
Interest received	19	47,551	39,286
Other		(521)	—
Net cash provided by (used in) investing activities		**75,520**	**(80,361)**
Cash flows from financing activities			
Proceeds from exercise of stock options		2,804	17,854
Proceeds from issuance of ordinary shares under employee stock purchase plan		25,015	23,093
Repurchases of ordinary shares		(340,088)	—
Payment of lease liabilities	6	(10,571)	(13,127)
Net cash (used in) provided by financing activities		**(322,840)**	**27,820**
Net increase in cash and cash equivalents		**42,594**	**187,468**
Cash and cash equivalents at beginning of year		**727,543**	**540,397**
Effect of exchange loss on cash held		(1,412)	(322)
Cash and cash equivalents at end of year		**$ 768,725**	**$ 727,543**
Supplemental disclosures of non-cash investing and financing information			
Changes in property and equipment included in accounts payable		$ 294	$ 305
Acquisition-related indemnity holdback		$ 8,343	$ —

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

1. Reporting Entity

Elastic N.V. (the “Company” or “Elastic”) was founded in 2012 and has its corporate seat in Amsterdam, the Netherlands and is registered at the Amsterdam Chamber of Commerce under number 54655870. The address of the Company’s registered office is Keizersgracht 281, 1016 ED, Amsterdam.

The consolidated financial statements (the “Consolidated Financial Statements”) of the Company as at April 30, 2026 and 2025 and for the years ended April 30, 2026 and 2025 comprise the Company and its subsidiaries (together referred to as the “Group” or “Elastic” and individually as “Group entities”). The Group created the Elasticsearch Platform, a powerful set of software products that ingest and store data from any source and in any format, and perform search, analysis, and visualization on that data. Developers build on top of the Company’s platform to apply the power of search to their data and solve business problems. The Company offers three software solutions built into its platform: Search & AI, Elastic Observability, and Elastic Security. The Company’s platform and its solutions are designed to run across hybrid clouds, public or private clouds, and multi-cloud environments.

The financial statements were approved by the board of directors and authorized for issue on August 26, 2026.

Going Concern

The Group generated a net income of $337.1 million and incurred a net loss of $124.5 million for the years ended April 30, 2026 and 2025, respectively.

The board of directors of the Company (the “board of directors”) has carefully assessed the Group’s ability to continue as a going concern. The board of directors has considered the Group’s cash flow projections and believes that the Group’s cash position will be sufficient to meet operating and capital requirements until at least twelve months from the date of these financial statements, even if the Group does not raise additional financing. Accordingly, the directors are satisfied that the Group will be able to meet its cash requirements through the normal course of operations.

Under International Accounting Standards (“IAS”) 1, an entity should prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. Having considered the above, the board of directors determined it was appropriate for these Consolidated Financial Statements to be prepared on a going concern basis. Accordingly, the accompanying Consolidated Financial Statements have been prepared assuming the Group will continue as a going concern. The Consolidated Financial Statements do not include any adjustments relating to the recoverability and classification of recorded assets or classification of liabilities that may be necessary if the Group is unable to continue as a going concern.

2. Basis of Preparation

Statement of Compliance

The Consolidated Financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the European Union ("EU"), in conjunction with Part 9 of Book 2 of the Dutch Civil Code. The same accounting principles may be applied in the Company’s financial statements (the “Company Financial Statements”) and Consolidated Financial Statements. If the accounting principles of the Company’s Financial Statements differ from the accounting principles applied in the Consolidated Financial Statements, this is disclosed.

Basis of Measurement

The IFRS financial information has been prepared on a historical cost basis unless stated otherwise.

Use of Estimates and Judgments

The preparation of the Consolidated Financial Statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Such estimates and assumptions include, but are not limited to, the standalone selling price ("SSP") for each distinct performance obligation included in customer contracts with multiple performance obligations, the period of benefit for deferred contract acquisition costs, allowance for credit losses, valuation of share-based compensation, fair value of acquired intangible assets and goodwill, useful lives of acquired intangible assets and property and equipment, whether an arrangement is or contains a lease, the discount rate used for leases and the realizability of deferred tax assets. The Group 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.

Information about assumptions and estimation uncertainties are included in the following notes:

Note 3 and 17 – Share-based payment

Note 3 and 20 – Deferred tax and utilization of tax losses

Note 3 and 16 – Revenue recognition

Note 3 – Deferred contract acquisition costs

Note 3 and 23 – Business combinations

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 Group is not aware of any specific event or circumstance that would require the Group to update its estimates, judgments or revise the carrying value of the Group's assets or liabilities. These estimates may change, as new events occur and additional information is obtained, and are recognized in the Consolidated Financial Statements as soon as they become known. Actual results could differ from those estimates and any such differences may be material to the Group's financial statements.

Cash Flow Statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement are comprised of cash and bank deposits. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid is reflected as an operating activity and interest received as an investment activity.

Off Balance Sheet Arrangements

The Group has no off-balance sheet arrangements.

Segments

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker ("CODM"). The Group's Chief Executive Officer is its CODM. The Group's CODM reviews financial information presented on a consolidated basis for the purposes of making operating decisions, allocating resources and evaluating financial performance. As such, the Group has determined that it operates in one operating and one reportable segment. Financial information about the Group's operating segment and its geographical areas is presented in *Note 16 - Revenue* to the Consolidated Financial Statements.

3. Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements. The accounting policies have been applied consistently by Group entities.

Interpretations and amendments to published standards effective for annual periods beginning on or after May 1, 2025:

The following amendments and interpretations endorsed by EU were adopted during the year ended April 30, 2026:

- Amendments to IAS 21 ("IAS 21") The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability

The amendments did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations issued not yet effective and not yet endorsed by EU

- IFRS 18 - Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027)

There are no other IFRSs or International Financial Reporting Interpretations Committee ("IFRIC") interpretations that are not yet effective and endorsed by EU that would be expected to have a material impact on the Group.

Basis of Consolidation

Subsidiaries

The Consolidated Financial Statements comprise the financial statements of Elastic N.V. and its subsidiaries as at April 30 each year. The financial statements of the subsidiaries are prepared using consistent accounting policies. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date of the acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

All consolidated companies prepared their accounts during the years ended April 30, 2026 and 2025 in accordance with the accounting policies adopted by the Group. The Group has no interest in associates or jointly controlled entities and the Group does not control any special purpose entities that have not been consolidated.

Elasticsearch GmbH, a wholly-owned subsidiary of Elastic N.V., is consolidated in these Consolidated Financial Statements and met all criteria of the exemption contained in article § 264 subsection 3 of German Commercial Code (Handelsgesetzbuch, HGB) and therefore does not issue audited financial statements.

Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements.

Foreign Currency

Functional and Presentation Currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The Company periodically re-assesses its operations to determine if previous conclusions are still valid. Changes in functional currencies are applied prospectively if the operations encounter a significant and permanent change. The Consolidated Financial Statements are presented in US Dollars (USD), which is the Group’s presentation currency.

Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the comprehensive income/(loss), except when deferred in other comprehensive income/(loss) as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the comprehensive income/(loss) within ‘finance income' and 'finance costs,’ respectively.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency translation differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Translation from Functional to Presentation Currency

For the financial statements of all the Group’s entities for which the functional currency is different from the presentation currency of the Group, the following methods are applied:

- The assets and liabilities are translated into USD at the rate effective at the end of the period.
- The revenues and costs are translated into USD at the average exchange rate of the period as long as they represent a reasonable approximation of the exchange rates at the dates of the relevant transactions.

Foreign currency differences on translation from functional to presentation currency are recognized in Translation Reserves.

Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognized in other comprehensive income/(loss) in the Translation Reserve.

Revenue Recognition

The Group generates revenue primarily from the sale of self-managed subscriptions (which include licenses for proprietary features, support, and maintenance) and from the sale of software-as-a-service ("SaaS") subscriptions. The Group also generates revenue from services, which consist of consulting and training.

The Group accounts for revenue in accordance with IFRS 15 – Revenue from Contracts with Customers (“IFRS 15”). Under IFRS 15, the Group recognizes revenue when its customer obtains control of promised goods or services in an amount that reflects the consideration that the Group expects to receive in exchange for those goods and services. The Group's contracts include varying terms and conditions, and identifying and evaluating the impact of these terms and conditions on revenue recognition requires significant judgment. In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements, the Group performs the following steps:

i) *identification of the contract with a customer;*

The Group contracts with its customers through order forms which, in some cases, are governed by master sales agreements. The Group determines that it has a contract with a customer when the order form has been approved, each party’s rights regarding the products or services to be transferred can be identified, the payment terms for the services can be identified, the Group has determined the customer has the ability and intent to pay, and the contract has commercial substance. The Group 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, the customer's credit, reputation, and financial or other pertinent information. At contract inception, the Group 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 Group has concluded that its contracts with customers generally 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 products and services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the products or services, either on their own or together with other resources that are readily available from third parties or from the Group, and are distinct in the context of the contract, whereby the transfer of the products and services is separately identifiable from other promises in the contract.

The Group’s self-managed subscriptions include both a license providing the right to use proprietary features in its software, as well as an obligation to provide support (on both open source and proprietary features) and maintenance. The Group’s SaaS products provide access to hosted software as well as support, which the Group considers to be a single performance obligation.

Performance obligations to provide services relate to the provision of consulting and training services. These services are distinct from subscriptions and do not result in significant customization of the software.

iii) *determination of the transaction price;*

The transaction price is the total amount of consideration to which the Group expects to be entitled in exchange for the subscriptions and services in a contract. Variable consideration is included in the transaction price if, based on judgment, it is highly probable that a significant future reversal of cumulative revenue under the contract will not occur. None of the Group's contracts contain a significant financing component.

iv) *allocation of the transaction price to the performance obligations; and*

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 Group allocates the transaction price to each performance obligation based on a relative standalone selling price (“SSP”). The SSP is determined based on the prices at which the Group separately sells these products assuming the majority of such prices fall within a pricing range. For instances in which the SSP is not directly observable, such as when the Group does not sell the software license separately, the Group derives the SSP using information that may include market conditions and other observable and unobservable inputs, which can require significant judgment. Individual products and services typically have more than one SSP due to the stratification of such products and services by quantity, subscription term, sales channel, and other circumstances. If one of the performance obligations is outside of the SSP range, the Group allocates the transaction price considering the midpoint of the SSP range. The Group also considers whether there are any additional material rights inherent in a contract and, if so, the Group allocates a portion of the transaction price to such rights based on the relative SSP.

(in thousands U.S. dollars unless otherwise stated)

v) *recognition of revenue when the Group satisfies each performance obligation;*

Revenue is recognized at the time the related performance obligation is satisfied by transferring the promised product or service to the customer. Revenue for SaaS offerings that relate to a specified amount of services is recognized on a consumption basis as the customer utilizes the services. Revenue from SaaS offerings that are stand-ready arrangements is recognized ratably over the contract period as we satisfy the performance obligation. The Group's self-managed subscriptions include both upfront revenue recognition when the license is delivered, as well as revenue recognized ratably over the contract period for support and maintenance based on the stand-ready nature of these subscription elements.

Services comprise consulting services as well as public and private training. Revenue from services is recognized as these services are delivered.

The Group generates sales directly through its sales team and through its channel partners. Sales to channel partners are made at a discount and revenues are recorded at this discounted price once all the revenue recognition criteria above are met. To the extent that the Group offers rebates, incentives, or joint marketing funds to such channel partners, recorded revenues are reduced by this amount. Channel partners generally receive an order from an end customer prior to placing an order with the Group. Payment from channel partners is not contingent on the partner's collection from end customers.

Contract Balances

The timing of revenue recognition may differ from the timing of invoicing to customers. For annual contracts, the Group typically invoices customers at the time of entering into the contract. For multi-year agreements, the Group generally invoices customers on an annual basis prior to each anniversary of the contract start date. The Group records unbilled accounts receivable related to revenue recognized in excess of amounts invoiced as the Group has an unconditional right to invoice and receive payment in the future related to those fulfilled obligations. Contract liabilities consist of deferred revenue, which is recognized over the contractual period.

The following table provides information about unbilled accounts receivable, deferred contract acquisition costs, and deferred income from contracts with customers:

	As of April 30,	
	2026	2025
Unbilled accounts receivable, included in Trade and other receivables	$ 3,079	$ 2,475
Deferred contract acquisition costs	$ 257,436	$ 203,967
Deferred income	$ 1,026,322	$ 852,457

Deferred Contract Acquisition Costs

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

Sales commissions for renewal of a subscription contract are not considered commensurate with the commissions paid for contracts with new customers and incremental sales to existing customers given the substantive difference in commission rates in proportion to their respective contract values. Commissions paid for contracts with new customers and incremental sales to existing customers are amortized over an estimated period of benefit of five years, while commissions paid for renewal contracts are amortized based on the pattern of the associated revenue recognition over the related contractual renewal period for the pool of renewal contracts. The Group determines the period of benefit for commissions paid for contracts with new customers and incremental sales to existing customers by taking into consideration its initial estimated customer life and the technological life of its software and related significant features. Commissions paid on services are typically amortized in accordance with the associated revenue as the commissions paid on new and renewal services are commensurate with each other. Amortization of deferred contract acquisition costs is recognized in sales and marketing expense in the consolidated statements of comprehensive income/(loss).

The Group periodically reviews the carrying amount of deferred contract acquisition costs to determine whether events or changes in circumstances have occurred that could impact the period of benefit of these deferred costs. No impairment of deferred contract acquisition costs was recognized during the years ended April 30, 2026 and 2025.

Amortization expense with respect to deferred contract acquisition costs was $111.1 million and $96.7 million for the years ended April 30, 2026 and 2025, respectively.

Financial Instruments

Non-derivative Financial Assets

The Group has the following non-derivative financial assets: deposits, trade and other receivables, cash and cash equivalents and marketable securities.

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Receivables comprise deposits, trade, unbilled and other receivables, and other current assets *(Note 7 - Trade and other receivables)*.

After initial recognition at fair value, trade receivables are subsequently measured at amortized cost after provision for bad and doubtful debts. Provisions for bad and doubtful debts are based on the expected credit loss model. The ‘simplified approach’ is used with the expected loss allowance measured at an amount equal to the lifetime expected credit losses.

Cash and Cash Equivalents

Cash and cash equivalents comprise bank account balances and money market funds with maturities of three months or less at the date of purchase. Deposits with financial institutions for a duration greater than three months are excluded from cash and cash equivalents and classified separately in these financial statements. Bank overdrafts that are repayable on demand and form an integral part of the Group’s cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

Marketable Securities

The Company’s marketable securities consist of highly liquid investment-grade fixed-income securities. The Company determines the appropriate classification of its investments at the time of purchase and reevaluates such designation at each balance sheet date. The Company has classified and accounted for its marketable securities as financial assets at fair value through other comprehensive income/(loss) as the Company may sell these securities at any time for use in its current operations or for other purposes, including prior to maturity. As a result, the Company has classified its marketable securities within current assets on the consolidated balance sheets.

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income/(loss). Movements in the carrying amount are taken through other comprehensive income/(loss), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is unrecognized, the cumulative gain or loss previously recognized in other comprehensive income/(loss) is reclassified from equity to profit or loss and recognized in finance income or finance cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair Value of Financial Instruments

The Group follows IFRS 13 – Fair Value Measurement ("IFRS 13"), with respect to assets and liabilities that are measured at fair value. Under this standard, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The accounting guidance establishes a three-tiered hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value as follows:

- Level 1: Observable inputs, such as unadjusted quoted prices 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

Financial assets are de-recognized when the rights to receive cash flows from the asset have expired.

Non-derivative Financial Liabilities

The Group initially recognizes financial liabilities which include lease liabilities, long term borrowings, trade and other accounts payables and other non-current liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The financial liabilities except lease liabilities are recognized initially at fair value. Subsequent to the initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Group de-recognizes a financial liability when its contractual obligations are discharged or canceled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Share Capital

Ordinary Shares

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares or share options are shown in equity as a deduction, net of tax, from proceeds.

The Company's ordinary shares began trading on the New York Stock Exchange ("NYSE") under the symbol "ESTC" on October 5, 2018. Prior to that date, there was no public trading market for our ordinary shares.

Preference Share Capital

Preference share capital is classified as equity if it is nonredeemable, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the Company's shareholders. Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in profit or loss as accrued. The Group does not have any preference shares outstanding as of April 30, 2026.

Treasury Shares

Treasury shares are accounted for using the cost method and recorded as a reduction to shareholders' equity on the consolidated balance sheets. Incremental direct costs to purchase treasury shares are included in the cost of the shares acquired.

The cost of treasury shares that are either sold or reissued is determined based on the weighted-average basis, computed in the aggregate across all shares held in treasury, regardless of the repurchase program or transaction under which they were originally acquired. When treasury shares are reissued at a price higher than their cost, the increase is recorded in share premium on the consolidated balance sheets. When treasury shares are reissued at a price lower than their cost, the decrease is recorded in share premium to the extent that there are previously recorded increases to offset the decrease. Any decreases in excess of that amount are recorded in accumulated losses on the consolidated balance sheets.

Property and Equipment

Recognition and Measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The carrying value of an asset is written down to its recoverable amount if the carrying value of the asset is greater than its estimated recoverable amount.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment, and are recognized net within other income in profit or loss.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

- Leasehold improvements: shorter of the lease term or useful life.
- Computer equipment: 3 years.
- Fixtures and fittings: 3 to 5 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Business Combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired and the liabilities assumed. The determination of fair values often requires significant judgments and the use of estimates, including the selection of valuation methodologies, estimates of future revenue and cash flows, discount rates and selection of comparable companies. Acquisition-related costs are expenses as incurred in the operating expenses line of the income statement. Any contingent consideration is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

When the Group issues share-based or cash awards to an acquired company's shareholders, the Group evaluates whether the awards are consideration or compensation for post-acquisition services. The evaluation includes, among other things, whether the vesting of the awards is contingent on the continued employment of the acquired company's shareholders beyond the acquisition date. If continued employment is required for vesting, the awards are treated as compensation for post- acquisition services and recognized as expense over the requisite service period.

Intangible Assets

Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in "Intangible assets". Goodwill is tested at least annually for impairment and carried at cost less accumulated impairment losses. An impairment loss is recognized to the extent that the carrying value of goodwill exceeds the recoverable amount. The recoverable amount is higher of fair value less costs of disposal and value in use. If there are no indicators that goodwill may be impaired then no quantitative analysis is performed. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Refer to *Note 23 - Intangible Assets* for more details.

Trade Names and Customer Related Intangible Assets

Separately acquired trade names and customer related intangible assets are shown at historical cost. Trade names and customer-related intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Trade names, licenses and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated using the straight-line method to allocate the cost of trademarks, software and customer related intangible assets over their estimated useful lives, as follows:

- Developed technology 4-5 years
- Customer relationships 4 years
- Trade name 4 years

Internally Developed Software

Internal and external costs incurred during the preliminary stage of developing computer software for internal use are expensed as incurred. Internal and external costs incurred to develop computer software for internal use during the application development stage are capitalized if the Group expects economic benefits from the development. Capitalization in the application development stage begins once the Group can reliably measure the expenditure attributable to the software development and has demonstrated its intention to complete and use the software. Internally developed software is amortized on a straight-line basis over its estimated useful life. The Company did not capitalize any costs during the year ended April 30, 2026 and April 30, 2025.

Impairment

Financial Assets (Including Receivables)

The Group applies the IFRS 9 – Financial Instruments ("IFRS 9") simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables.

To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles of sales over a period of twelve months before April 30, 2026 or 2025, as applicable and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

(in thousands U.S. dollars unless otherwise stated)

The following table summarizes the movement in loss allowance on trade and other receivables:

	Year Ended April 30,	
	2026	2025
Beginning balance	$ 5,510	$ 4,979
Increase in loss allowance recognized in profit and loss during the year	4,358	3,909
Receivables written off during the year as uncollectible	(3,021)	(3,378)
Ending balance	$ 6,847	$ 5,510

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Transaction costs that are directly attributable to the issuance of debt are added to or deducted from the initial fair value.

Employee Benefits

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

The Group has a defined-contribution plan in the U.S. intended to qualify under Section 401 of the Internal Revenue Code (the “401(k) Plan”). The Group has contracted with a third-party provider to act as a custodian and trustee, and to process and maintain the records of participant data. Substantially all the expenses incurred for administering the 401(k) Plan are paid by the Group. This 401(k) Plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis The Group makes contributions to the 401(k) Plan up to 6% of the participating employee’s W-2 earnings and wages. The Group recorded $22.3 million and $19.6 million of expense related to the 401(k) Plan during the years ended April 30, 2026 and 2025, respectively.

The Group also has defined-contribution and other employee benefit plans in certain other countries for which the Group recorded $16.4 million and $14.6 million of expense during the years ended April 30, 2026 and 2025, respectively.

The Group’s obligation under these plans is recorded in “Trade and other payables”.

Termination Benefits

Termination benefits are recognized as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-Based Payment Transactions

The Group issues equity-settled share-based payments to certain employees and directors which provide an additional compensation to these individuals, estimated at the grant date by reference to the fair value of the equity instruments granted.

Compensation expense related to stock options and restricted stock units (“RSUs”), including those with performance or market conditions, issued to employees and directors is measured at the fair value on the date of the grant and recognized over the requisite service period. The fair value of stock options and purchase rights issued to employees under the 2022 Employee Stock Purchase Plan (the “ESPP”) is estimated on the date of the grant using the Black-Scholes option-pricing model. The fair value of RSUs with service or performance conditions is estimated on the date of the grant based on the fair value of the Company’s underlying ordinary shares. The fair value of RSUs with market conditions is estimated using a Monte Carlo simulation.

Compensation expense for stock options and RSUs with only a service condition is recognized in the profit or loss over the requisite service period on an accelerated attributed method, with a corresponding adjustment to “other reserves” for equity settled awards. Compensation expense relating to RSUs with a performance condition is recognized using the accelerated attribution method over the requisite service period when it is probable that the performance condition will be satisfied. Compensation expense for RSUs with a market condition is recognized using the accelerated attribution method over the requisite service period of each tranche, regardless of whether the market condition is ultimately satisfied. Compensation expense is recognized over the six-month offering period in the case of the 2022 Employee Stock Purchase Plan ("2022 ESPP").

Compensation expense for the stock awards is recognized net of forfeitures using an estimated forfeiture rate. Our forfeiture rate is based on an analysis of our actual forfeitures. We will continue to evaluate the appropriateness of the forfeiture rate based on actual forfeiture experience, analysis of employee turnover, and other factors. Changes in the estimated forfeiture rate can have a significant impact on our share-based compensation expense as the cumulative effect of adjusting the rate is recognized in the period the forfeiture estimate is changed. A higher or lower revised forfeiture rate than previously estimated will result in an adjustment that will decrease or increase the share-based compensation expense recognized in the consolidated statement of comprehensive loss.

Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

Leases

The Group assesses whether a contract is or contains a lease at the inception of the contract. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received prior to the commencement date.

The lease term is determined based on the non-cancellable period for which the Group has the right to use an underlying asset. The lease term is adjusted, if applicable, for periods covered by extension and termination options to the extent the Group is reasonably certain to exercise them.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, which is considered the appropriate useful life of these assets. In addition, the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, to the extent necessary.

The lease liability is initially measured at the present value of the lease payments, net of lease incentives receivable, that are not paid at the commencement date, discounted using an incremental borrowing rate ("IBR") if the rate implicit in the lease arrangement is not readily determinable. The Group cannot readily determine the interest rate implicit in the lease contracts. Therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to paid”, which requires estimation when no observable rates are available.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments and variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is subsequently increased to reflect accretion of interest and reduced for lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, lease term, or if the Group changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and lease of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including certain IT Equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Finance Income and Finance Costs

Finance income primarily comprises interest income on our cash, cash equivalents and certain marketable securities that is recognized using the effective interest method.

Finance costs primarily consist of interest expense on our 4.125% Senior Notes due July 15, 2029 (the "Senior Notes") outstanding and foreign exchange gains and losses.

Income Tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except when it relates to items charged or credited directly to equity or other comprehensive income/(loss), in which case the tax is also recognized in equity or other comprehensive income/(loss), respectively. Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the estimates in relation to the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes tax provisions when it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are based on management’s best judgment of the application of tax legislation and best estimates of future settlement amounts.

The Group has assessed its income tax positions and recorded tax benefits for all years subject to examination, based upon the Group’s evaluation of the facts, circumstances and information available at each period end. The Group assesses uncertainty over a tax treatment in accordance with IFRIC 23. For those tax positions where the Group has determined that it is probable that the taxation authority will accept an uncertain tax treatment, the Group 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 that it is not probable that the taxation authority will accept an uncertain tax treatment, no tax benefit has been recognized.

Although the Group believes that it has adequately reserved for its uncertain tax positions, the Group can provide no assurance that the final tax outcome of these matters will not be materially different. As the Group expands internationally, it will face increased complexity, and the Group’s unrecognized tax benefits may increase in the future. The Group 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 (benefit from) provision for income taxes in the period in which such determination is made.

Research and Development

Research and development expense primarily consists of personnel costs and allocated overhead costs for employees and contractors.

Research and development costs are charged to operations as incurred. An intangible asset resulting from the development of an individual project is only capitalized when it cumulatively meets the criteria for recognition as per the requirements of IAS 38. 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 to develop software that is marketed externally have not been capitalized as the current software development process is essentially completed concurrently with the establishment of technological feasibility. As such, all related software development costs are expensed as incurred and included in research and development expense in the consolidated statement of comprehensive (loss) income.

Sales and Marketing

Sales and marketing expense primarily consists of personnel costs, commissions, allocated overhead costs and costs related to marketing programs and user events. Marketing programs consist of advertising, events, brand-building and customer acquisition and retention activities.

General and Administrative

General and administrative expense primarily consists of personnel costs for our management, finance, legal, human resources, and other administrative employees. General and administrative expense also includes professional fees, accounting fees, audit fees, tax services and legal fees, as well as insurance, allocated overhead costs, and other corporate expenses.

Fiscal Unity Tax Accounting Policy

The Company is head of the fiscal unity for Dutch income tax purposes and is, as such, jointly liable for the liabilities of the fiscal unity as a whole. The Company holds the tax liability and is responsible for the remittance to the tax authorities on behalf of its subsidiary elasticsearch B.V. The tax charge of each individual unity member is calculated and shown in their respective accounts. Settlements within the fiscal unity are made via intercompany accounts. The Company is also head of the fiscal unity for Dutch VAT with Elastic's Dutch subsidiaries (elasticsearch B.V., Elasticsearch Finance B.V., Elasticsearch International B.V., and Elasticsearch Worldwide B.V.) and is, as such, jointly liable for the VAT liabilities of the fiscal unity as a whole.

4. Financial Risk Management

All potential areas of financial risk are regularly monitored and reviewed by the board of directors and management. Any preventative or corrective measures are taken as necessary.

The Group uses various financial instruments. These primarily include cash and cash equivalents, marketable securities, and trade receivables that arise directly from its operations.

The Group has exposure to the following risks from its use of financial instruments:

- Capital Management.
- Market Risk.
- Credit Risk.
- Liquidity Risk.
- Currency Risk.

Capital Management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. For the purpose of the Group’s capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent.

Market Risk

The Group is exposed to various kinds of market risks in the ordinary course of business. These risks include:

- Foreign currency exchange rate risks: Refer to Currency Risk below.

- Interest rate risks: Interest rate risk is the risk that the value of a financial instrument will be affected by changes in the market rate of interest. The Group had cash, cash equivalents, restricted cash and marketable securities of $1.372 billion as of April 30, 2026. The Group's cash, cash equivalents, and restricted cash are held in cash deposits and money market funds. The primary objectives of the Group's investment activities are the preservation of capital, the fulfillment of liquidity needs and the fiduciary control of cash and investments. The Group does not enter into investments for trading or speculative purposes. Due to the short-term nature of these instruments, the Group does not believe that an immediate 10% increase or decrease in interest rates would have a material effect on the fair value of its investment portfolio. Declines in interest rates, however, would reduce the Group's future interest income.

  In July 2021, Elastic issued $575.0 million aggregate principal amount of Senior Notes in a private placement. The fair value of the Senior Notes is subject to market risk. In addition, the fair market value of the Senior Notes is exposed to interest rate risk. Generally, the fair market value of the fixed interest rate Senior Notes will increase as interest rates fall and decrease as interest rates rise. The interest rate and market value changes affect the fair value of the Senior Notes, but do not impact the Group's financial position, cash flows or results of operations due to the fixed nature of the debt obligation. Additionally, the Senior Notes are carried at face value less unamortized debt issuance cost on the balance sheet.

  The Group has developed policies to deal with these risks. In principle, no derivative instruments are used to hedge against either of these risks. The Group seeks to match and manage intercompany and external foreign currency exposures reported by the various business operations and Group Companies.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Financial instruments that potentially subject the Group to concentrations of credit risk are primarily cash, cash equivalents, restricted cash, short-term investments, and accounts receivable. The primary focus of the Group's investment strategy is to preserve capital and meet liquidity requirements. The Group maintains its cash accounts with financial institutions where, at times, deposits exceed federal insurance limits. The Group invests its excess cash in highly-rated money market funds and in short-term investments. The Group extends credit to customers in the normal course of business. The Group performs credit analyses and monitors the financial health of its customers to reduce credit risk. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. Management performs ongoing credit evaluations of customers and maintains allowances for potential credit losses on customers' accounts when deemed necessary.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, risk associated with the industry and country in which customers operate may also influence credit risk. The credit quality of customers is assessed by taking into account financial position, past collections experience and other relevant factors. A default on a trade receivable is when the counterparty fails to make contractual payments within the stated payment terms. Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. The carrying amounts of financial assets, trade receivables and contract assets represent the maximum credit exposure. Trade receivables and contract assets are subject to impairment using the expected credit loss model. The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. See *Note 7- Trade and other receivables* for further details about trade receivables and contract assets including movement in provision for bad and doubtful debts.

Concentration of Credit Risk

One customer, a channel partner, accounted for 11% of total revenue during the years ended April 30, 2026 and 12% of total revenue during the year ended April 30, 2025. The same customer accounted for 11% of net accounts receivable as of April 30, 2026. No customer accounted for 10% or more of net accounts receivable as of April 30, 2025.

(in thousands U.S. dollars unless otherwise stated)

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was as follows:

	Year Ended April 30,	
	2026	**2025**
United States	308,316	237,454
Europe	141,612	122,123
Other	16,778	13,561
Total	$ 466,706	$ 373,138

See *Note 16 – Revenue* for revenue by geographic area.

The Group does not typically offer any right of refund in its contracts. The Group does not consider that any of its clients, business sectors or geographic areas present a significant risk of non-collection that could materially impact the financial position of the Group as a whole.

On that basis, the loss allowance as at April 30, 2026 and 2025 was determined for accounts receivables:

April 30, 2026	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate (%)	0.68%	2.26%	12.34%	64.96%	1.47%
Gross carrying amount-Trade receivables	$ 452,553	$ 3,587	$ 4,415	$ 4,840	$ 465,395
Loss allowance	$ 3,077	$ 81	$ 545	$ 3,144	$ 6,847

April 30, 2025	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate (%)	0.68 %	2.29 %	12.78 %	100.00 %	1.47%
Gross carrying amount-Trade receivables	$ 361,075	$ 4,719	$ 6,667	$ 2,095	$ 374,556
Loss allowance	$ 2,455	$ 108	$ 852	$ 2,095	$ 5,510

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its cash flow requirements on a regular basis with the board of directors to ensure that within a three-month time frame it has sufficient cash to its expected operational expenses that can be reasonably predicted.

The tables below summarizes the group's financial liabilities into relevant maturity groupings for all non-derivative financial liabilities:

	Less than 1 year	Between 1 & 5 years	More than 5 years	Total	Carrying amount
Trade and other payables	$ 214,057	$ 19,292	$ —	$ 233,349	$ 233,349
Senior Notes	—	575,000	—	575,000	570,895
Lease liabilities	7,491	10,909	5,768	24,168	20,141
Total	$ 221,548	$ 605,201	$ 5,768	$ 832,517	$ 824,385

Currency Risk

The Group's revenue and expenses are primarily denominated in U.S. dollars, and to a lesser extent the Euro, British Pound Sterling, and other currencies. To date, the Group has not had a formal hedging program with respect to foreign currency, but it may do so in the future if its exposure to foreign currency should become more significant. For business conducted outside of the United States, the Group may have both revenue and costs incurred in the local currency of the subsidiary, creating a partial natural hedge. Changes to exchange rates therefore have not had a material impact on the Group's operating results to date; however, the Group will continue to reassess its foreign exchange exposure as it continues to grow its business globally.

(in thousands U.S. dollars unless otherwise stated)

The Group has experienced and will continue to experience fluctuations in its operating results as a result of transaction gains or losses related to remeasurement of certain asset and liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded. An immediate 10% increase or decrease in the relative value of the U.S. dollar to other currencies could have a material effect on the Group's revenue, operating expenses, and net (loss) income. As a component of finance costs, the Group recognized foreign currency transaction losses of $2.1 million and $2.5 million for the years ended April 30, 2026 and 2025, respectively.

As of April 30, 2026, the Group's cash, cash equivalents, restricted cash and marketable securities were primarily denominated in U.S. dollars, Euros, and British pounds. A 10% increase or decrease in current exchange rates would have an impact of approximately $10.8 million on the Group's cash, cash equivalents, restricted cash and marketable securities balances.

5. Property and Equipment

	Leasehold improvement	Computer Equipment	Furniture and Fixtures	Construction in Progress	Total
Cost					
Balance at April 30, 2024	**$ 12,683**	**$ 3,464**	**$ 7,396**	**$ 427**	**$ 23,970**
Additions	—	—	—	4,443	4,443
Disposals and write-offs	(1,112)	(70)	(251)	—	(1,433)
Transfers	3,047	959	826	(4,832)	—
Effect of movement in exchange rates	162	37	54	(5)	248
Balance at April 30, 2025	**$ 14,780**	**$ 4,390**	**$ 8,025**	**$ 33**	**$ 27,228**
Additions	—	—	$ —	5,587	5,587
Disposals and write-offs	(5,968)	(830)	(3,598)	—	(10,396)
Transfers	889	445	680	(2,014)	—
Effect of movement in exchange rates	73	61	56	(31)	159
Balance at April 30, 2026	**$ 9,774**	**$ 4,066**	**$ 5,163**	**$ 3,575**	**$ 22,578**
Depreciation					
Balance at April 30, 2024	**$ 10,402**	**$ 2,097**	**$ 6,018**	**$ —**	**$ 18,517**
Charge for year	1,427	956	721	—	3,104
Disposals and write-offs	(1,112)	(62)	(251)	—	(1,425)
Effect of movement in exchange rates	143	32	268	—	443
Balance at April 30, 2025	**$ 10,860**	**$ 3,023**	**$ 6,756**	**$ —**	**$ 20,639**
Charge for year	1,442	843	754	—	3,039
Disposals and write-offs	(5,719)	(689)	(3,484)	—	(9,892)
Effect of movement in exchange rates	98	58	45	—	201
Balance at April 30, 2026	**$ 6,681**	**$ 3,235**	**$ 4,071**	**$ —**	**$ 13,987**
Carrying amounts					
At April 30, 2025	**$ 3,920**	**$ 1,367**	**$ 1,269**	**$ 33**	**$ 6,589**
At April 30, 2026	**$ 3,093**	**$ 831**	**$ 1,092**	**$ 3,575**	**$ 8,591**

Depreciation expense related to property and equipment was $3.0 million and $3.1 million for the years ended April 30, 2026 and 2025, respectively.

6. Leases

The Group has leases for office space under non-cancelable lease agreements that expire at various dates through fiscal 2036.

The tables below summarize the carrying amounts of right-of-use assets and lease liabilities and movement during the year:

(in thousands U.S. dollars unless otherwise stated)

	Right-of-use Assets	Lease Liabilities
April 30, 2025	$ 22,904	$ 25,285
Additions	5,250	5,373
Cancellations	(939)	(694)
Remeasurement	(468)	(468)
Amortization	(8,654)	—
Payments	—	(10,571)
Interest expense	—	990
Effect of movement in exchange rates	(236)	226
April 30, 2026	$ 17,857	$ 20,141

	As of April 30,	
	2026	2025
Right-of-use assets		
Office space	$ 17,857	$ 22,904
Lease liabilities		
Current	$ 6,281	$ 8,928
Non-current	13,860	16,357
Total lease liabilities	$ 20,141	$ 25,285

The weighted-average IBR applied to lease liabilities recognized in the consolidated statement of financial position was 5.3% as of April 30, 2026.

Future minimum lease payments under non-cancelable office leases as of April 30, 2026 and as of April 30, 2025 were as follows:

	2026	2025
Less than one year	$ 6,281	$ 8,928
Between one and five years	5,705	10,395
More than five years	8,155	5,962
Total	$ 20,141	$ 25,285

Amounts recognized in the statements of Comprehensive Income/(Loss) are as follows:

	Year Ended April 30,	
	2026	2025
Depreciation of right-of-use assets	$ 8,654	$ 10,719
Interest expense on lease liabilities (included in finance costs)	990	1,091
Expense relating to short-term leases (included in general and administrative expenses)	2,831	2,232
Expense relating to variable lease payments not included in lease liabilities (included in general and administrative expenses)	1,683	1,456
Total amount recognized in the statements of comprehensive income/(loss)	$ 14,158	$ 15,498

7. Trade and Other Receivables

	As of April 30,	
	2026	2025
Trade receivable	$ 466,706	$ 373,138
Unbilled receivable	3,079	2,475
VAT receivable	6,032	14,620
Deposits	1,340	2,645
Other	1,212	611
Total trade and other receivables	$ 478,369	$ 393,489
Current	478,369	$ 393,489
Non-current	—	—
Total trade and other receivables	$ 478,369	$ 393,489

8. Fair Value Measurements

The following table summarizes assets that are measured at fair value on a recurring basis as of April 30, 2026 (in thousands):

	Level 1	Level 2	Level 3	Total
Financial Assets:				
Cash equivalents:				
Money market funds	$ 505,672	$ —	$ —	$ 505,672
U.S. treasury securities	—	—	—	—
U.S. agency securities	—	—	—	—
Corporate debt securities	—	3,002	—	3,002
Municipal securities	—	2,011	—	2,011
Certificates of deposit	—	—	—	—
Commercial paper	—	—	—	—
Total included in cash equivalents	505,672	5,013	—	510,685
Marketable Securities:				
Certificates of deposit	—	62,611	—	62,611
Commercial paper	—	6,706	—	6,706
Municipal securities	—	41,679	—	41,679
U.S. treasury securities	108,761	—	—	108,761
International treasuries	—	42,558	—	42,558
Corporate debt securities	—	316,523	—	316,523
U.S. agency securities	—	22,699	—	22,699
Total marketable securities	108,761	492,776	—	601,537
Mutual fund investments (1)	5,140	—	—	5,140
Total financial assets	$ 619,573	$ 497,789	$ —	$ 1,117,362

(1) Mutual fund investments are held in an irrevocable rabbi trust for payment obligations to non-qualified deferred compensation plan participants. The investments are recorded as part of "Prepayments, non-current" in the Group's consolidated balance sheets.

The following table summarizes assets that are measured at fair value on a recurring basis as of April 30, 2025 (in thousands):

	Level 1	Level 2	Level 3	Total
Financial Assets:				
Cash equivalents:				
Money market funds	$ 197,710	$ —	$ —	$ 197,710
U.S. treasury securities	90,642	—	—	90,642
U.S. agency securities	—	20,001	—	20,001
Corporate debt securities	—	3,128	—	3,128
Certificates of deposit	—	6,020	—	6,020
Commercial paper	—	9,462	—	9,462
Total included in cash and cash equivalents	288,352	38,611	—	326,963
Marketable Securities:				
Certificates of deposit	—	63,377	—	63,377
Commercial paper	—	17,739	—	17,739
Municipal securities	—	34,966	—	34,966
U.S. treasury securities	113,440	—	—	113,440
International treasuries	—	40,135	—	40,135
Corporate debt securities	—	390,077	—	390,077
U.S. agency securities	—	9,983	—	9,983
Total marketable securities	113,440	556,277	—	669,717
Mutual fund investments (1)	2,646	—	—	2,646
Total financial assets	$ 404,438	$ 594,888	$ —	$ 999,326

(in thousands U.S. dollars unless otherwise stated)

Interest income from the Company's cash, cash equivalents, and marketable securities was $47.6 million and $39.3 million for the years ended April 30, 2026 and 2025, respectively, and is included in finance income.

As of April 30, 2026 and 2025, gross unrealized gains and losses on the marketable securities were not significant. The fluctuations in market interest rates impacted the unrealized losses or gains on these securities.

The fair value of marketable securities, by remaining contractual maturity, are as follows:

	As of April 30,	
	2026	2025
Due within 1 year	$ 304,833	$ 368,374
Due between 1 year and 3 years	296,704	299,522
Due between 3 years and 5 years	—	1,821
Total marketable securities	$ 601,537	$ 669,717

9. Fair Values of Financial Assets and Financial Liabilities Measured at Amortized Cost

The Company's financial instruments consist of cash equivalents, marketable securities, mutual fund investments held in a rabbi trust, accounts receivable, accounts payable, accrued liabilities and borrowings. Cash equivalents are stated at amortized cost, which approximates fair value at the balance sheet dates due to the short period of time to maturity. Marketable securities and mutual fund investments are recorded at fair value (Note 8). 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.

In July 2021, the Company issued $575.0 million aggregate principal amount of 4.125% Senior Notes due July 15, 2029 in a private placement. Based on the trading prices of the Senior Notes, the fair value of the Senior Notes as of April 30, 2026 was approximately $545.9 million. While the Senior Notes are recorded at cost, the fair value of the Senior Notes was determined based on quoted prices in markets that are not active; accordingly, the Senior Notes are categorized as Level 2 for purposes of the fair value measurement hierarchy.

10. Cash and Cash Equivalents

The Group considers all highly liquid investments, including money market funds with maturity of three months or less at the date of purchase, to be cash equivalents. The carrying amount of the Group's cash equivalents approximates fair value, due to the short maturities of these instruments.

	As of April 30,	
	2026	2025
Cash at bank	$ 258,040	$ 400,580
Money market funds	505,672	197,710
U.S. treasury securities	—	90,642
Corporate debt securities	3,002	3,128
U.S. agency securities	—	20,001
Certificates of deposit	—	6,020
Municipal securities	2,011	—
Commercial paper	—	9,462
Net carrying amount	$ 768,725	$ 727,543

(in thousands U.S. dollars unless otherwise stated)

11. Prepayments

	As of April 30,	
	2026	2025
Prepaid hosting costs	$ 13,046	$ 17,806
Prepaid software subscriptions	16,944	9,216
Prepaid taxes	12,729	10,254
Insurance	2,824	2,757
Other	32,324	23,074
Total prepayments	$ 77,867	$ 63,107
Current	$ 66,412	$ 50,382
Non-current	11,455	12,725
Total prepayments	$ 77,867	$ 63,107

12. Capital and Reserves

	Ordinary Shares	Treasury Shares
Balances at April 30, 2024	**101,705,935**	**35,937**
Ordinary shares issued upon exercise of stock options	791,874	—
Ordinary shares issued upon release of restricted stock units	2,672,842	—
Ordinary shares issued under employee stock purchase plan	364,236	—
Balances at April 30, 2025	**105,534,887**	**35,937**
Ordinary shares issued upon exercise of stock options	218,707	—
Ordinary shares issued upon release of restricted stock units	2,108,706	—
Ordinary shares issued under employee stock purchase plan	462,103	—
Reissuance of treasury shares upon release of restricted stock units	847,733	(847,733)
Repurchases of ordinary shares	(4,420,666)	4,420,666
Balances at April 30, 2026	**104,751,470**	**3,608,870**

Ordinary Shares

At April 30, 2026 there were 165,000,000 ordinary shares authorized in the Capital of the Company par value €0.01 per share; 104,751,470 ordinary shares were issued and outstanding as of April 30, 2026 and 105,534,887 ordinary shares were issued and outstanding as of April 30, 2025.

Each holder of ordinary shares has the right to one vote per ordinary share. The holders of ordinary shares are also entitled to receive dividends whenever funds are legally available and when proposed by the Company's board of directors and adopted by the general meeting of shareholders, subject to the prior rights of holders of all classes of shares outstanding having priority rights to dividends. No dividends have been declared from the Company's inception through April 30, 2026.

The board of directors has been authorized by the general meeting of shareholders, on the Company’s behalf, to issue the Company’s ordinary shares and grant rights to acquire the Company’s ordinary shares in an amount up to 20% of the issued share capital of the Company as of August 21, 2025. This authorization is valid for a period of 18 months from September 30, 2025, the date of such general meeting of shareholders, until March 30, 2027.

Preference Shares

The Company’s authorized preference share capital pursuant to its articles of association amounts to 165 million preference shares at a par value per preference share of €0.01. Each holder of preference shares has rights and preferences, including the right to one vote per preference share. As of April 30, 2026, there were no preference shares issued or outstanding.

Preference shares in the capital of the Company may currently only be issued pursuant to a resolution adopted by the general meeting of shareholders at the proposal of the board of directors.

Share Repurchase Program

In October 2025, the Company's board of directors authorized a program to repurchase up to $500.0 million of the Company's ordinary shares (the "Share Repurchase Program"). Repurchases under the Share Repurchase Program may be effected through open market purchases, block trades, accelerated or other structured share repurchase programs, or otherwise in accordance with applicable federal securities laws, including trading arrangements conducted in accordance with Rule 10b5-1 under the Exchange Act. The timing and actual number of shares repurchased will depend on a variety of factors, including price, general business and market conditions, the Company's liquidity, and other factors. The current authorization may be modified, suspended, or terminated at any time and does not have a specified expiration date.

The following table summarizes the share repurchase activity under the Company's Share Repurchase Program (in thousands, except share and per share data):

		Year ended April 30, 2026
Number of shares repurchased		4,420,666
Weighted-average price per share (1)	$	76.91
Aggregate purchase price (1)	$	340,000

(1) Excludes transaction costs associated with the repurchases.

All repurchases were made in open market transactions. As of April 30, 2026, $160.0 million remained available for future share repurchases under the Share Repurchase Program.

Translation Reserve

Translation reserve comprises the translation of participations from a foreign currency to the presentation currency. Exchange differences arising on translation of the foreign controlled entities are recognized in other comprehensive income/(loss), as described in Note 3, and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss upon the disposal of the net investment.

Other Reserves

Other reserves comprise compensation expense for equity settled awards. There is no distribution restriction on other reserves.

13. Borrowings

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

Interest on the Senior Notes is payable semi-annually in arrears on January 15 and July 15 of each year. The interest rate is 4.1250%. The Company may at its election redeem all or a part of the Senior Notes, on any one or more occasions, at the redemption prices set forth in the indenture governing the Senior Notes (the "Indenture"), plus, in each case, accrued and unpaid interest thereon, if any, to, but excluding, the applicable redemption date. The Company may also at its election redeem the Senior Notes in whole, but not in part, at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, if certain changes in tax law occur as set forth in the Indenture.

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

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

Based on the trading prices of the Senior Notes, the fair value of the Senior Notes as of April 30, 2026 was approximately $545.9 million. While the Senior Notes are recorded at cost, the fair value of the Senior Notes was determined based on quoted prices in markets that are not active; accordingly, the Senior Notes are categorized as Level 2 for purposes of the fair value measurement hierarchy.

The net carrying amount of the Senior Notes was as follows (in thousands):

	Year Ended April 30,	
	2026	2025
Principal	$ 575,000	$ 575,000
Unamortized debt issuance costs	(4,105)	(5,271)
Net carrying amount	$ 570,895	$ 569,729

The following table sets forth the interest expense recognized related to the Senior Notes (in thousands):

	Year Ended April 30,	
	2026	2025
Contractual interest expense	$ 23,719	$ 23,719
Amortization of debt issuance costs	1,166	1,117
Total interest expense related to the Senior Notes	$ 24,885	$ 24,836

14. Deferred Income

The Company recognized revenue of $807.9 million and $660.9 million during the years ended April 30, 2026 and 2025, respectively, that was included in the deferred income balance at the beginning of each of the respective periods

	As of April 30,	
	2026	2025
Current	$ 973,820	$ 802,117
Non-current	52,502	50,340
Total Deferred income	$ 1,026,322	$ 852,457

Remaining Performance Obligations

Remaining performance obligations (“RPO”) represent the amount of contracted future revenue that has not been recognized, including deferred revenue and non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods. The Company’s RPO excludes performance obligations from on-demand arrangements as there are no minimum purchase commitments associated with such arrangements.

As of April 30, 2026, the Company had $1.982 billion of RPO, of which the Company expects to recognize approximately 61% as revenue over the next twelve months, approximately 86% over the next twenty-four months, and the remainder thereafter.

15. Trade and Other Payables

	As of April 30,	
	2026	2025
Trade payables	$ 8,618	$ 17,155
Payroll and social charges liabilities	92,204	76,827
Accrued Commissions	44,429	26,631
Other taxes payable	16,632	15,781
Accrued expenses	38,913	31,922
Other liabilities	32,553	31,334
Total Trade and other payables	$ 233,349	$ 199,650
Current	$ 214,057	$ 191,463
Non-current	19,292	8,187
Total Trade and other payables	$ 233,349	$ 199,650

(in thousands U.S. dollars unless otherwise stated)

16. Revenue

The following table summarizes the Group's subscription and services revenue. Total subscription revenue consists of Elastic Cloud revenue, which relates to our SaaS offerings, and Other subscription revenue, which relates to self-managed subscriptions. Elastic Cloud revenue is recognized ratably over the subscription term or on a usage basis for consumption-based arrangements. Revenue from self-managed subscriptions is generally recognized ratably over the subscription term and, to a lesser extent, at a point in time upon delivery of the license

Services revenue includes revenue from implementation, consulting and both public and private training services.

	Year Ended April 30,	
	2026	2025
Annual Elastic Cloud	$ 640,937	$ 502,320
Monthly Elastic Cloud	196,334	185,299
Total Elastic Cloud	$ 837,271	$ 687,619
Other subscription	797,184	696,901
Total subscription	$ 1,634,455	$ 1,384,520
Services	104,876	98,776
Total revenue	$ 1,739,331	$ 1,483,296

The following table summarizes the Group's total revenue by geographic area based on the location of the customers. Other than the United States, no other individual country exceeded 10% or more of total revenue during the periods presented.

	Year Ended April 30,	
	2026	2025
Netherlands	$ 55,553	$ 47,103
United States	947,307	836,226
Rest of the world	736,471	599,967
Total revenue	$ 1,739,331	$ 1,483,296

17. Share-Based Payment

2022 Employee Stock Purchase Plan

In August 2022, the Company's board of directors adopted and, in October 2022, the Company's shareholders approved the 2022 ESPP. The Company reserved 6.0 million of the Company's ordinary shares for future purchase and issuance under the 2022 ESPP in January 2023. The 2022 ESPP allows eligible employees to acquire ordinary shares of the Company at a discount at periodic intervals through accumulated payroll deductions. Eligible employees purchase ordinary shares of the Company during a purchase period at 85% of the market value of the ordinary shares at either the beginning or end of an offering period, whichever is lower. Offering periods under the ESPP are approximately six months long and begin on each of March 16 or September 16 or the next trading day thereafter.

The Company issued 462,103 and 364,236 ordinary shares under the 2022 ESPP during the years ended April 30, 2026 and 2025, respectively. As of April 30, 2026, there were 4,828,496 shares available for issuance under the ESPP. Share-based compensation expense recognized related to the 2022 ESPP was $9.0 million and $9.2 million for the years ended April 30, 2026 and 2025, respectively.

The fair value of the ESPP offerings was estimated on the offering date using the Black-Scholes option pricing model with the following assumptions:

	Year Ended April 30,	
	2026	2025
Expected term (in years)	0.5	0.5
Expected stock price volatility	49.7% - 54.9%	50.4% - 59.2%
Risk-free interest rate	3.7% - 3.8%	4.3% - 4.6%
Dividend yield	—%	—%

2012 Share Option Program (Equity-Settled)

Under the Company's 2012 Stock Option Plan (as amended and restated, the "2012 Plan"), the board of directors, the compensation committee, as administrator of the 2012 Plan, and any other duly authorized committee may grant stock options and other equity-based awards, such as RSUs (including those with performance or market conditions) to eligible employees, directors, and consultants to attract and retain talented personnel for positions of substantial responsibility, to provide additional incentive to employees, directors, and consultants, and to promote the success of the Company's business.

The Company's board of directors, compensation committee, or other duly authorized committee determines the vesting schedule for all equity-based awards. Stock options and RSUs granted to employees generally vest over four years, subject to the employees' continued service to the Company. The Company's compensation committee may explicitly deviate from the general vesting schedules in its approval of an equity-based award as it may deem appropriate. Stock options expire ten years after the date of grant. Shares subject to stock options and RSUs that are canceled under certain conditions become available for future grant of awards under the 2012 Plan unless the 2012 Plan is terminated. As of April 30, 2026, there were 28,438,422 shares available for grant under the 2012 Plan.

Stock Options

The following table summarizes stock option activity:

	Outstanding Stock Options	Weighted-Average Exercise Price	Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Balance as of April 30, 2024	**2,640,423**	**$ 38.23**	**4.67**	**$ 178,081**
Stock options exercised	(791,874)	$ 22.54		
Stock options canceled	(72,819)	$ 113.23		
Stock options assumed in acquisition canceled	(7)	$ 76.82		
Balance as of April 30, 2025	**1,775,723**	**$ 42.16**	**3.88**	**$ 88,617**
Stock options exercised	(218,707)	$ 12.83		
Stock options canceled	(9,250)	$ 49.51		
Stock options assumed in acquisition canceled	(656)	$ 74.36		
Balance as of April 30, 2026	**1,547,110**	**$ 46.25**	**3.10**	**$ 30,020**
Exercisable as of April 30, 2026	1,539,658	$ 46.07	3.09	$ 30,020

No stock options were granted during the years ended April 30, 2026 and 2025.

Information with respect to stock options outstanding and exercisable under a range of exercise prices is as follows:

As of April 30, 2026			As of April 30, 2026	
Range of Exercise Prices			Options Outstanding	Options Exercisable
$7.25	-	$11.46	194,910	194,910
$13.07	-	$13.07	437,295	437,295
$16.67	-	$27.50	327,867	327,867
$36.00	-	$69.12	55,187	55,187
$75.85	-	$111.20	347,826	340,374
$128.31	-	$166.43	184,025	184,025
			1,547,110	**1,539,658**

Restricted Stock Units (RSUs)

The following table provides a summary of RSUs outstanding and unvested under the 2012 Plan for the years ended April 30, 2026 and 2025:

	Number of Awards	Weighted-Average Grant Date Fair Value
Outstanding and unvested at April 30, 2024	**7,076,836**	**$ 85.38**
RSUs granted	3,177,238	$ 106.55
RSUs released	(2,672,842)	$ 89.04
RSUs canceled	(1,058,155)	$ 86.87
Outstanding and unvested at April 30, 2025	**6,523,077**	**$ 93.95**
RSUs granted	5,508,638	$ 76.67
RSUs released	(2,956,439)	$ 88.49
RSUs canceled	(912,698)	$ 91.08
Outstanding and unvested at April 30, 2026	**8,162,578**	**$ 84.58**

(in thousands U.S. dollars unless otherwise stated)

Impact on the Financial Statements

Compensation cost for share-based awards is based on the grant-date fair value estimated in accordance with the provisions of IFRS 2 – Share-based Payment ("IFRS 2") and is recognized over the vesting period of the applicable award on an accelerated attribution basis, typically over four years. For the years ended April 30, 2026 and 2025, the Group recorded share-based compensation expense related to issuance of stock options of $0.5 million and $1.4 million, respectively. As of April 30, 2026, the Company had unrecognized share-based compensation expense of $0.01 million related to unvested stock options that the Company expects to recognize over a weighted average period of 0.16 years.

Share-based compensation expense related to RSUs for the years ended April 30, 2026 and 2025 was $295.3 million and $253.2 million, respectively. As of April 30, 2026, the Company had unrecognized share-based compensation expense of $370.5 million related to equity settled RSUs that the Company expects to recognize over a weighted-average period of 1.51 years.

Total share-based compensation expense recognized in the consolidated statements of comprehensive income (loss) was as follows:

	Year Ended April 30,	
	2026	2025
Subscription	$ 10,437	$ 9,895
Services	15,889	15,985
Total cost of revenue	26,326	25,880
Research and development	115,362	93,911
Sales and marketing	91,451	88,860
General and administrative	71,600	55,182
Total operating costs	278,413	237,953
Total share-based compensation expense	$ 304,739	$ 263,833

18. Other Income

	Year Ended April 30,	
	2026	2025
Proceeds from user conference	$ 1,310	$ 921
Sublease income	1,552	2,687
Other	594	65
Total other income	$ 3,456	$ 3,673

Sublease income relates to income from real estate that the Group has subleased as it was surplus to its needs. Income generated from sponsorship and registration fees for the Group's annual user conference is also classified as other income.

19. Finance Income and Costs

	Year Ended April 30,	
	2026	2025
Interest income on marketable securities and bank deposits	$ (47,551)	$ (39,286)
Amortization of premium and accretion of discount on marketable securities, net	(3,428)	(7,186)
Miscellaneous other	(7,695)	(5,351)
Total finance income	$ (58,674)	$ (51,823)
Interest expense – Senior notes	$ 24,885	$ 24,836
Interest expense – other	1,392	1,348
Net foreign exchange loss	2,112	2,495
Miscellaneous other	839	733
Total finance costs	$ 29,228	$ 29,412

(in thousands U.S. dollars unless otherwise stated)

20. Income Tax Benefit (Expense)

	Year Ended April 30, 2026	
Expected tax recovery on net loss before income tax	$ 1,804	(25.8)%
Difference in tax rates between foreign jurisdictions and the Netherlands	3,485	(49.8)%
Tax credits	10,208	(145.9)%
Shared based compensation	(33,390)	477.3 %
Deferred tax assets recognized	434,866	(6216.8)%
Intellectual property ("IP") Migration	178	(2.5)%
US BEAT waiver election	(51,231)	732.4 %
Foreign-Derived Intangible Income ("FDII") exclusion	2,052	(29.3)%
Global intangible low-taxed income	(1,386)	19.8 %
Executive compensation	(5,963)	85.2 %
Current-year deferred only	(3,248)	46.4 %
Foreign withholding taxes	(1,756)	25.1 %
Meals & Entertainment	(42)	0.6 %
Non-deductible mergers and acquisitions transaction costs	(223)	3.2 %
State Taxes	(8,952)	128.0 %
True-Up of Prior Year Return	(3,499)	50.0 %
Uncertain Tax Positions	269	(3.8)%
Miscellaneous other	879	(12.6)%
Effective taxation rate	$ 344,051	(4,919)%

	Year Ended April 30, 2025	
Expected tax recovery on net loss before income tax	$ 9,256	(25.8)%
Difference in tax rates between foreign jurisdictions and the Netherlands	8,453	(23.6)%
Tax credits	13,508	(37.7)%
Share based compensation	(7,620)	21.2 %
Deferred tax assets not recognized	(46,561)	129.8 %
Intellectual property ("IP") Migration	(610)	1.7 %
US BEAT waiver election	(45,321)	126.3 %
Foreign-Derived Intangible Income ("FDII") exclusion	2,241	(6.2)%
Executive compensation	(6,523)	18.2 %
Foreign withholding taxes	(2,701)	7.5 %
Tax Credit Addback	(1,215)	3.4 %
Meals & Entertainment	(598)	1.7 %
State Taxes	(8,031)	22.4 %
True-Up of Prior Year Return	3,680	(10.3)%
Uncertain Tax Positions	(6,713)	18.7 %
Miscellaneous	124	(0.3)%
Effective taxation rate	$ (88,631)	247.0 %

As of April 30, 2026, the Company has a tax loss carry forward of approximately $1.557 billion (April 30, 2025 – approximately $1.407 billion) related to the Dutch fiscal unity, approximately $735.0 million (April 30, 2025 - $1.098 billion) related the US (federal and states), and approximately $68.9 million (April 30, 2025 – approximately $97.9 million) related to the United Kingdom.

Trading losses will reverse against future taxable profits in the Company. During the year ended April 30, 2026, the Company recorded a benefit related to the recognition of previously unrecognized deferred tax assets in the Netherlands, California and the United Kingdom. The recognition of previously unrecognized deferred tax assets in the Netherlands and California of $390.5 million and $20.4 million, respectively, was supported by forecasted future taxable income and the anticipated implementation of a tax planning action expected to generate additional taxable income. In the United Kingdom recognition of previously unrecognized deferred tax assets of $23.9 million was primarily attributable to the jurisdiction no longer being in a cumulative loss position during the fourth quarter of fiscal 2026, together with continued profitability and forecasts of future taxable income. Based on the weight of all available positive and negative evidence, management concluded that realization of the related deferred tax assets was probable.

In accordance with IAS 12 *Income Taxes*, a deferred tax asset is recognized to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized. Deferred tax assets are recognized for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. Management assesses whether it is probable that some portion or all the deferred tax assets will be realized and therefore recognized in the financial statements. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. Management makes estimates and judgments about future taxable income based on assumptions that are consistent with the Group's plans and estimates.

Significant components of the Group's deferred tax assets are summarized as follows (in thousands):

	As of April 30,	
	2026	2025
Deferred tax assets:		
Accrued compensation	$ 8,500	$ 6,796
Intangible assets	4,377	42
Tax loss carryforwards	497,907	127,791
Deferred Income	13,118	7,478
Share based compensation	3,026	19,528
Credits	28,371	23,775
Lease liability	3,487	4,041
Disallowed Interest Expense	13,642	—
Other	9,618	10,271
Total deferred tax assets	$ 582,046	$ 199,722
Deferred tax liabilities:		
Deferred contract acquisition costs	(51,728)	(38,629)
Right-of-use assets	(3,108)	(3,574)
Total deferred tax liabilities	$ (54,836)	$ (42,203)
Net deferred tax assets	$ 527,210	$ 157,519

Dutch income taxes and non-Dutch withholding taxes associated with the repatriation of earnings or for temporary differences related to investments in non-Dutch subsidiaries have not been provided for, as the Company intends to reinvest the earnings of such subsidiaries indefinitely or the Company has concluded that no additional tax liability would arise on the distribution of such earnings.

In 2021, the Organization for Economic Cooperation and Development ("OECD") published Pillar Two Model Rules defining a global minimum tax, which calls for the taxation of large corporations at a minimum rate of 15%. The OECD has since issued administrative guidance providing transition and safe harbor rules concerning the implementation of the Pillar Two global minimum tax. A number of countries have proposed or enacted legislation to implement core elements of the Pillar Two proposal. Pillar Two did not have a significant impact on the Company's consolidated financial statements for the year ended April 30, 2026. The Company continues to monitor the impact of proposed and enacted global tax legislation. The Company applies the IAS 12 exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two Income taxes.

21. Average Number of People Employed

	Average		As of April 30,	
	2026	2025	2026	2025
Number of employees	3,778	3,362	4,019	3,537
Number of employees in Netherlands	131	138	125	136
Number of employees in other countries	3,648	3,224	3,894	3,401

22. Commitments

The Group's principal commitments consist of its purchase obligations under non-cancelable agreements for cloud hosting, subscription software, sales and marketing, and general corporate services, future non-cancelable minimum payments for office leases, and interest payments due on its Senior Notes.

The Group's contractual commitment amounts are associated with agreements that are enforceable and legally binding and do not include obligations under contracts that the Group can cancel without a significant penalty. Purchase orders issued in the ordinary course of business are also excluded, as the Group's purchase orders represent authorizations to purchase rather than binding agreements.

(in thousands U.S. dollars unless otherwise stated)

The Group has also excluded unrecognized tax benefits from the contractual obligations. A variety of factors could affect the timing of payments for the liabilities related to unrecognized tax benefits. Therefore, the Group cannot reasonably estimate the timing of such payments. The Group believes that these matters will likely not be resolved in the next twelve months and, accordingly, the Group has classified the estimated liability as non-current in the consolidated balance sheets.

Payments under future minimum purchase obligations relating to non-cancelable agreements for cloud hosting as of April 30, 2026 and 2025 were as follows:

	2026	2025
Less than one year	$ 217,688	$ 219,170
Between one and five years	395,938	593,142
More than five years	—	—
Total	$ 613,626	$ 812,312

For cloud hosting commitments, the actual timing may vary depending on services used and total payments under these capacity commitments may be higher than the total minimum depending on services used.

Other Purchase Commitments

The Group has future purchase obligations primarily related to general corporate services, subscription software, and sales and marketing contracts. As of April 30, 2026, the Group had purchase commitments of $96.0 million related to these contracts, primarily due within the next twelve months.

Letters of Credit

As of April 30, 2026, the Group had $1.6 million in letters of credit outstanding in favor of certain landlords for office space. These letters of credit expire on various dates through 2028, with some of these obligations renewing annually.

23. Business Combinations

Conic AI Technology Limited

On October 7, 2025, the Company acquired 100% of the share capital of Conic AI Technology Limited and its subsidiaries (collectively, “Jina AI”) for a total purchase consideration of $43.4 million. The purchase consideration includes $6.9 million held back by the Company for indemnity obligations, which will be released upon the 24-month anniversary of the acquisition.

The acquisition was accounted for as a business combination in accordance with IFRS 3, *Business Combinations,* and, accordingly, the total purchase consideration was allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the acquisition date. The total purchase price allocated to developed technology and goodwill was $6.5 million and $30.2 million, respectively. The fair value assigned to developed technology was determined using the cost to recreate approach. The developed technology asset is being amortized on a straight-line basis over the useful life of 2 years, which approximates the pattern in which the developed technology is utilized. Goodwill resulted primarily from the expectation of enhancing the Elastic Search AI-powered solutions and the value of the acquired workforce. The resulting goodwill is not deductible for income tax purposes.

The financial results of Jina AI have been included in the Company’s consolidated results of operations since the acquisition date. Pro forma and historical results of operations for this acquisition have not been presented as they were not material to the Company’s consolidated results of operations.

Paladin Data Inc.

On May 21, 2025, Elasticsearch, Inc., a wholly-owned subsidiary of the Company, acquired 100% of the share capital of Paladin Data Inc., including its wholly-owned subsidiary, Keep Alerting Ltd. (collectively, “Keep”), for a total purchase consideration of $10.9 million. The purchase consideration includes $1.4 million held back by the Company for indemnity obligations, which will be released upon the 18-month anniversary of the acquisition.

The acquisition was accounted for as a business combination in accordance with IFRS 3, *Business Combinations,* and, accordingly, the total purchase consideration was allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the acquisition date. The total purchase price allocated to developed technology and goodwill was $4.0 million and $6.7 million, respectively. The fair value assigned to developed technology was determined using the cost to recreate approach. The developed technology asset is being amortized on a straight-line basis over the useful life of 5 years, which approximates the pattern in which the developed technology is utilized. Goodwill resulted primarily from the expectation of enhancing the Elastic Search AI-powered solutions and the value of the acquired workforce. The resulting goodwill is not deductible for income tax purposes.

The financial results of Keep have been included in the Company’s consolidated results of operations since the acquisition date. Pro forma and historical results of operations for this acquisition have not been presented as they were not material to the Company’s consolidated results of operations.

(in thousands U.S. dollars unless otherwise stated)

24. Intangible Assets

	Goodwill	Developed Technology	Customer Relationships	Trade Name	Internal-use Software	Total
Non-current assets						
Cost:						
Balance as at April 30, 2024	**$ 322,856**	**$ 76,130**	**$ 19,598**	**$ 2,872**	**$ 5,447**	**$ 426,903**
Acquisition	—	—	$ —	$ —	$ —	—
Balance as at April 30, 2025	**$ 322,856**	**$ 76,130**	**$ 19,598**	**$ 2,872**	**$ 5,447**	**$ 426,903**
Acquisition	36,915	10,500	—	—	—	47,415
Disposals	—	(1,339)	—	(15)	—	(1,354)
Balance as at April 30, 2026	**$ 359,771**	**$ 85,291**	**$ 19,598**	**$ 2,857**	**$ 5,447**	**$ 472,964**
Accumulated amortization:						
Balances at April 30, 2024	**$ —**	**$ 55,489**	**$ 19,598**	**$ 2,872**	**$ 2,505**	**$ 80,464**
Amortization	—	9,213	—	—	1,175	10,388
Balances at April 30, 2025	**—**	**64,702**	**19,598**	**2,872**	**3,680**	**90,852**
Amortization	—	8,845	—	—	1,175	10,020
Disposals	—	(1,339)	—	(15)	—	(1,354)
Balances at April 30, 2026	**$ —**	**$ 72,208**	**$ 19,598**	**$ 2,857**	**$ 4,855**	**$ 99,518**
Foreign currency translation:						
Balances at April 30, 2025	$ (535)	$ —	$ —	$ —	$ (24)	$ (559)
Balances at April 30, 2026	$ (425)	$ (24)	$ —	$ —	$ —	$ (449)
Carrying amounts:						
At April 30, 2025	**$ 322,321**	**$ 11,428**	**$ —**	**$ —**	**$ 1,743**	**$ 335,492**
At April 30, 2026	**$ 359,346**	**$ 13,059**	**$ —**	**$ —**	**$ 592**	**$ 372,997**

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

- Developed technology 4 - 5 years
- Customer relationships 4 years
- Trade name 4 years
- Internal Use Software 5 years

Goodwill is allocated to cash-generating units (CGUs) (or Groups of CGUs) and evaluated for impairment at the CGU level, which is defined as an operating segment or one level below an operating segment. Goodwill is tested at least annually for impairment. Other than goodwill there are no intangible assets with indefinite lives.

Goodwill has been generated through the acquisition of various companies. Acquired technologies have been embedded into the Group's platform and therefore form part of the software that is used by the Group’s user base and included within the Group’s subscription offerings leading to one revenue stream associated with the sales of Elastic products. The Group, has therefore, determined that it has one CGU.

The recoverable amount of the CGU is based on fair value less costs of disposal. At April 30, 2026, the recoverable amount of the CGU exceeded its carrying value and therefore no impairment was recorded in fiscal 2026. The fair value of the CGU, based on quoted market prices at the end of the reporting period, was $4.9 billion. The quoted market price used for the impairment test held by the Group was the current bid price of $46.43 as of April 30, 2026.

25. Earnings Per Share

Basic

Basic earnings per share is calculated by dividing the profit/loss attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the company and held as treasury shares.

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares to take account of all dilutive potential ordinary shares and adjusting the profit/loss attributable, if applicable, to account for any tax consequences that might arise from conversion of those shares.

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

	Year Ended April 30,	
	2026	**2025**
Numerator		
Net income/(loss)	$ 337,056	$ (124,507)
Denominator		
Weighted-average shares used to compute net earnings/(loss) per share attributable to ordinary shareholders		
Basic	105,335,440	103,661,704
Diluted	109,081,089	103,661,704
Net earnings/(loss) per share attributable to ordinary shareholders		
Basic	$ 3.20	$ (1.20)
Diluted	$ 3.09	$ (1.20)

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

	Year Ended April 30,	
	2026	**2025**
Stock options	536,368	1,775,723
RSUs	35,488	6,523,077
Employee stock purchase plan	6,405	147,488
Total	578,261	8,446,288

26. Audit Fees and Non-Audit Fees

The following audit and non-audit fees were expensed in the income statement in the reporting period:

	Pricewaterhouse Coopers Accountants N.V.	**Other PwC Network firms**	**Total**
Year ended April 30, 2026			
Audit of the financial statements	$ 161	$ 3,194	$ 3,355
Tax services	—	472	472
Other non-audit services	—	7	7
Total	$ 161	$ 3,673	$ 3,834
Year ended April 30, 2025			
Audit of the financial statements	$ 126	$ 2,600	$ 2,726
Tax services	—	933	933
Other non-audit services	—	7	7
Total	$ 126	$ 3,540	$ 3,666

The fees listed above relate to the procedures applied to the Company and its consolidated group entities by accounting firms and external auditors as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act (‘Wet toezicht accountantsorganisaties - Wta’) as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups.

These fees relate to the audit of the fiscal 2026 and fiscal 2025 financial statements, regardless of whether the work was performed during the financial year.

Tax services relate to tax planning services.

Other non-audit services relate to subscription fees paid for access to online accounting research software and regulatory applications.

27. Capital Commitments

During the years ended April 30, 2026 and 2025 the Group did not make any capital commitments.

28. Contingencies

Legal Matters

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

On February 11, 2025, an alleged shareholder of the Company filed a complaint in the United States District Court for the Eastern District of New York against the Company and one of its executive officers, Ashutosh Kulkarni, as well as a former executive officer of the Company, Janesh Moorjani, on behalf of a putative class of shareholders of the Company who purchased or otherwise acquired the Company's ordinary shares during the period from May 31, 2024 to August 29, 2024. The complaint, captioned "In re Elastic N.V. Securities Litigation," alleges that the defendants made materially false and misleading statements and omitted material information about the Company's business and financial results during the foregoing period in violation of Sections 10(b) and 20(a) of the Exchange Act and Exchange Act Rule 10b-5, which allegedly resulted in artificially inflated prices of the Company's shares. The complaint states that plaintiffs seek damages and attorneys' fees and costs. In May 2025, the Court appointed Lucid Alternative Fund, LP and Jeff Milan as co-lead plaintiffs in this matter. On August 1, 2025, the plaintiffs filed an amended complaint, citing the same core theories and claims but extending the class period to cover the period June 2, 2023 to August 29, 2024. On October 1, 2025, the Company filed a motion to dismiss the complaint. The plaintiffs filed an opposition to the motion on November 17, 2025, and the Company filed a reply on December 17, 2025. The motion to dismiss is pending before the Court. At this stage of the proceedings, the Company can neither predict the ultimate outcome of the litigation nor estimate any range of possible losses.

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

Indemnification

The Company enters into indemnification provisions under its agreements with other companies in the ordinary course of business, including business partners, landlords, contractors and parties performing its research and development. Pursuant to these arrangements, the Company agrees to indemnify, hold harmless, and reimburse the indemnified party for certain losses suffered or incurred by the indemnified party as a result of the Company's activities. The maximum potential amount of future payments the Company could be required to make under these agreements is not determinable. The Company to date has not incurred costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, the Company believes the fair value of these agreements is not material. The Company maintains commercial general liability insurance and product liability insurance to offset certain of the Company's potential liabilities under these indemnification provisions.

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

(in thousands U.S. dollars unless otherwise stated)

29. Expense by Nature

By nature, the costs can be analyzed as follows:

	Year Ended April 30, 2026	Year Ended April 30, 2025
Employee benefits expense	$ 931,483	$ 802,555
Share-based compensation	304,739	263,833
Equipment and systems charges	313,441	277,032
Travel expenses	54,040	33,834
Marketing expenses	62,562	57,123
Depreciation and amortization	13,059	13,492
Legal and professional	18,656	18,074
Office rent and related charges	13,340	14,133
Miscellaneous other expense	67,908	64,955
Restructuring expenses	—	225
Other income	(3,456)	(3,673)
Total expenses	$ 1,775,772	$ 1,541,583

The above costs are shown in the income statement as follows:

	Year Ended April 30, 2026	Year Ended April 30, 2025
Cost of revenue	$ 416,419	381,484
Operating expenses and other income	1,359,353	1,160,099
Total expenses	$ 1,775,772	$ 1,541,583

Cost of revenue, and operating expenses and other income, include amortization expense of $8.8 million and $1.2 million, respectively.

30. Related Parties

Ultimate Controlling Party

The Group does not have an ultimate controlling party.

Key Management Personnel Compensation

In addition to their salaries, the Group also provides non-cash benefits to directors and executive officers. In the case of our Chief Executive Officer and Chief Financial Officer, the Group contributes to a defined contribution plan on their behalf. Executive officers also participate in the Group's equity award program (See *Note 17 – Share Based Payments)*.

(in thousands U.S. dollars unless otherwise stated)

Key Management Personnel Compensation Comprised:

		Short-term employee benefits				Post-employment benefits		
Name and Principal Position	**Fiscal Year**	**Salary ($)**	**Bonus ($)**	**Non-Equity Incentive Plan Compensation ($)(1)**	**Share-Based Payment ($)(2)**	**All Other Compensation ($)**		**Total ($)**
Ashutosh Kulkarni	2026	750,000	—	832,532	45,343,687	35,684	(3)	46,961,903
CEO	2025	625,000	—	694,096	12,999,970	29,668	(3)	14,348,734
Navam Welihinda	2026	500,000	—	416,266	6,499,984	27,250	(3)	7,443,500
CFO	2025	85,417		70,741	9,363,770	3,750		9,523,678
Shay Banon	2026	538,838	—	448,600	4,499,882	2,707	(3)(4)	5,490,027
CTO	2025	514,006	—	428,124	3,749,877	2,682	(3)(4)	4,694,689
Mark Dodds	2026	500,000	—	416,266	11,999,744	21,000	(3)	12,937,010
Chief Revenue Officer	2025	500,000	—	416,458	4,499,830	28,100	(3)	5,444,388
Ken Exner	2026	500,000	—	416,266	11,999,744	64,895	(3)	12,980,905
Chief Product Officer	2025	500,000		416,458	4,499,830	27,557	(3)	5,443,845
Janesh Moorjani	2026	—	—	—	—	—	—	—
Former CFO/COO	2025	335,417	—	196,875	5,999,848	93,110	(3)	6,625,250
Eric Prengel (5)	2026	—	—	—	—	—		—
Former interim CFO	2025	461,875	—	142,490	2,849,941	26,029	(3)	3,480,335

(1) Except as otherwise indicated, the amounts shown represent the amounts earned based upon achievement of certain performance goals under our Bonus Plan. Payments under our Executive Incentive Compensation Plan were payable semi-annually based on achievement of certain company financial targets. For fiscal 2026 and 2025, the performance metrics were based on Cloud Revenue, Total Revenue, and Non-GAAP Operating Margin targets.

(2) The amounts shown are calculated in accordance with IFRS 2 for purposes of financial reporting and represent the aggregate grant date fair value of RSU awards, including those with market and performance conditions, granted to named executive officers for fiscal years 2026 and 2025. Awards with performance conditions assume target award value. Such amounts do not represent the actual economic value that has been or may be realized from such awards.
The amounts reported for RSUs, based on target award value, were calculated using the closing price of our ordinary shares as reported on the NYSE on the date of grant. If the PSUs were instead valued based on the maximum outcome of the applicable performance conditions, the grant date fair value of the PSUs granted in this column (i) for fiscal year 2026, would be as follows for fiscal year 2026: Mr. Kulkarni, $15,999,946; Mr. Welihinda, $6,499,984; Mr. Banon, $4,499,882; Mr. Dodds, $11,999,744; and Mr. Exner, $11,999,744; and (ii) for fiscal year 2025, would be as follows: Mr. Kulkarni, $9,099,968; Mr. Banon, $2,624,780; Mr. Dodds, $3,149,825; Mr. Exner, $3,149,825; and Mr. Moorjani, $4,199,916. Mr. Welihinda did not receive an award with a performance condition for fiscal year 2025.

(3) The amounts shown include Elastic's contributions made under our 401(k) plan for all named executive officers except Mr. Banon, who is not eligible to participate in the plan. The only such contribution in excess of $25,000 was Elastic's contribution of $27,250 made under our 401K plan on behalf of Mr. Welihinda for fiscal year 2026. With respect to Messrs. Kulkarni, Banon, and Exner, the amounts shown for fiscal years 2025 and 2026 also include guest travel expenses and related tax gross-ups for certain company events. The amount shown for Mr. Dodds for fiscal year 2025 also includes guest travel expenses and related tax gross-ups for certain company events.

(4) Amounts for fiscal years 2026 and 2025 have been reported on an as-converted basis from British pound sterling ("GBP") to U.S. dollars ("USD") based on the average currency exchange rate of 1 GBP = USD 1.3407 and 1.2789 for fiscal years 2026 and 2025, respectively.

(5) Eric Prengel did not receive any compensation in 2026 in his capacity as CFO of the Group.

(in thousands U.S. dollars unless otherwise stated)

The following table sets forth information regarding outstanding equity awards held by key management personnel as of April 30, 2026 :

				Option Awards				Share Awards	
Name	Grant date		Award Type	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares That Have Not Vested (#)	Market value of Shares that have Not Vested ($)(1)
Ashutosh Kulkarni	March 8, 2022	(2)	NQ	186,686	—	75.85	03/07/2032		
	December 8, 2021	(3)	NQ	26,179	—	128.31	12/07/2031		
	March 8, 2021	(4)	NQ	6,562	—	111.20	03/07/2031		
	February 9, 2021	(5)	ISO/NQ	31,415	—	166.43	02/08/2031		
	October 13, 2025	(6)	PSU					456,491	21,194,877
	June 8, 2025	(7)	RSU					75,240	3,493,393
	June 8, 2025	(8)	PSU					92,603	4,299,557
	June 8, 2024	(9)	RSU					42,458	1,971,325
	June 8, 2024	(10)	PSU					16,935	786,292
	December 8, 2023	(11)	RSU					31,639	1,468,999
	June 8, 2023	(12)	PSU					3,396	157,676
	December 8, 2022	(13)	RSU					43,621	2,025,323
Shay Banon	December 8, 2021	(3)	NQ	52,359	—	128.31	12/07/2031		
	December 8, 2020	(15)	NQ	62,421	—	145.83	12/07/2030		
	June 8, 2025	(7)	RSU					21,161	982,505
	June 8, 2025	(8)	PSU					26,044	1,209,223
	June 8, 2024	(9)	RSU					12,248	568,675
	June 8, 2024	(10)	PSU					4,885	226,811
	December 8, 2023	(11)	RSU					9,256	429,756
	June 8, 2023	(12)	PSU					887	41,183
	December 8, 2022	(13)	RSU					10,386	482,222

(1) The market value of unvested RSUs and PSUs is calculated by multiplying the number of unvested RSUs held by the applicable named executive officer by the market price of our ordinary shares on April 30, 2026 as reported on the NYSE, which was $46.43.
(2) The ordinary shares subject to the option vest in 48 equal monthly installments beginning on February 11, 2022, subject to continued service to us through the applicable vesting date.
(3) The ordinary shares subject to the option vest in 48 equal monthly installments beginning on January 8, 2022, subject to continued service to us through the applicable vesting date.
(4) One-fourth of the ordinary shares subject to the option vested on March 8, 2022, and 1/48th of the ordinary shares subject to the option vest monthly thereafter, subject to continued service to us through the applicable vesting date.
(5) One-fourth of the ordinary shares subject to the option vested on January 4, 2022, and 1/48th of the ordinary shares subject to the option vest monthly thereafter, subject to continued service to us through the applicable vesting date.
(6) The ordinary shares subject to the award of PSUs will vest, if at all, in four tranches as follows: 20% will vest with respect to each of the first three tranches and 40% will vest with respect to the fourth tranche. Each tranche of PSUs will vest if the Company achieves a share price goal specified for that tranche, measured from a baseline share price of $86.61, at any time during a three-year performance period ending on October 13, 2028 for the first tranche and during a five-year performance period ending on October 13, 2030 for the second, third and fourth tranches, contingent in each case on the reporting person's continuous service as the Company's Chief Executive Officer through the date of each applicable service vesting event. The number of PSUs earned for any tranche is subject to a 20% reduction based on the relative performance of total shareholder returns as specified in the award agreement.
(7) The ordinary shares subject to the award of RSUs vest in 16 quarterly installments beginning on September 8, 2025, subject to continued service to us through the applicable vesting date.
(8) The ordinary shares are subject to a PSU award based on achievement of specified performance metrics. The number of ordinary shares shown represents achievement of the performance metric at the target level. Based on actual achievement for fiscal year 2026, 120% of the target PSUs were earned. One-third of the ordinary shares received based on achievement vested on the determination date of June 8, 2026; thereafter, one-eighth of the remaining shares will vest quarterly, beginning on September 8, 2026, subject to continued service to us through the applicable vesting date.
(9) The ordinary shares subject to the award of RSUs vest in 16 quarterly installments beginning on September 8, 2024, subject to continued service to us through the applicable vesting date.
(10) The ordinary shares are subject to a PSU award based on achievement of specified performance metrics. The number of ordinary shares shown represents achievement of the performance metric at the target level. Based on actual achievement for fiscal year 2025, 100% of the target PSUs were earned. One-third of the ordinary shares received based on achievement vested on the determination date of June 8, 2025; thereafter, one-eighth of the remaining shares will vest quarterly, beginning on September 8, 2025, subject to continued service to us through the applicable vesting date.
(11) The ordinary shares subject to the award of RSUs vest in 16 quarterly installments beginning on March 8, 2024, subject to continued service to us through the applicable vesting date.
(12) The ordinary shares are subject to a PSU award based on achievement of specified performance metrics. Based on actual achievement for fiscal year 2024, 97% of the target PSUs were earned. One-third of the actual amounts received based on achievement vested on the determination date of June 8, 2024; thereafter, one-eighth of the remaining shares will vest quarterly, beginning on September 8, 2024, subject to continued service to us through the applicable vesting date.
(13) The ordinary shares subject to the award of RSUs vest in 16 quarterly installments beginning on March 8, 2023, subject to continued service to us through the applicable vesting date.
(14) The ordinary shares subject to the award of RSUs vest in 16 quarterly installments beginning on June 8, 2025, subject to continued service to us through the applicable vesting date.
(15) The ordinary shares subject to the option vest in 48 equal monthly installments beginning on January 8, 2021, subject to continued service to us through the applicable vesting date.

(in thousands U.S. dollars unless otherwise stated)

The following table sets forth information regarding outstanding equity awards held by key management personnel as of April 30, 2025:

				Option Awards				Share Awards	
Name	Grant date		Award Type	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares That Have Not Vested (#)	Market value of Shares that have Not Vested ($)(1)
Ashutosh Kulkarni	March 8, 2022	(2)	NQ	151,682	35,004	75.85	03/07/2032		
	December 8, 2021	(3)	NQ	21,815	4,364	128.31	12/07/2031		
	March 8, 2021	(4)	NQ	6,562	0	111.20	03/07/2031		
	February 9, 2021	(5)	ISO/NQ	31,415	0	166.43	02/08/2031		
	June 8, 2024	(6)	RSU					61,328	5,286,474
	June 8, 2024	(7)	PSU					40,643	3,503,427
	December 8, 2023	(8)	RSU					49,718	4,285,692
	June 8, 2023	(9)	PSU					16,980	1,463,676
	December 8, 2022	(10)	RSU					101,782	8,773,608
	March 8, 2022	(11)	RSU					11,908	1,026,470
	December 8, 2021	(12)	RSU					2,489	214,552
Shay Banon	December 8, 2021	(3)	NQ	43,632	8,727	128.31	12/07/2031		
	December 8, 2020	(14)	NQ	62,421	0	145.83	12/07/2030		
	June 8, 2024	(6)	RSU					17,691	1,524,964
	June 8, 2024	(7)	PSU					11,723	1,010,523
	December 8, 2023	(8)	RSU					14,545	1,253,779
	June 8, 2023	(9)	PSU					4,431	381,952
	December 8, 2022	(10)	RSU					24,234	2,088,971
	December 8, 2021	(12)	RSU					4,978	429,104

(1) The market value of unvested RSUs and PSUs is calculated by multiplying the number of unvested RSUs held by the applicable named executive officer by the market price of our ordinary shares on April 30, 2025 as reported on the NYSE, which was $86.20.
(2) The ordinary shares subject to the option vest in 48 equal monthly installments beginning on February 11, 2022, subject to continued service to us through the applicable vesting date.
(3) The ordinary shares subject to the option vest in 48 equal monthly installments beginning on January 8, 2022, subject to continued service to us through the applicable vesting date.
(4) One-fourth of the ordinary shares subject to the option vested on March 8, 2022, and 1/48th of the ordinary shares subject to the option vest monthly thereafter, subject to continued service to us through the applicable vesting date.
(5) One-fourth of the ordinary shares subject to the option vested on January 4, 2022, and 1/48th of the ordinary shares subject to the option vest monthly thereafter, subject to continued service to us through the applicable vesting date.
(6) The ordinary shares subject to the award of RSUs vest in 16 quarterly installments beginning on September 8, 2024, subject to continued service to us through the applicable vesting date.
(7) The ordinary shares are subject to a PSU award based on achievement of specified performance metrics. The number of ordinary shares shown represents achievement of the performance metric at the target level. Based on actual achievement for fiscal year 2025, 100% of the target PSUs were earned. One-third of the actual amounts received based on achievement vested on the determination date of June 8, 2025; thereafter, one-eighth of the remaining shares will vest quarterly, beginning on September 8, 2025, subject to continued service to us through the applicable vesting date.
(8) The ordinary shares subject to the award of RSUs vest in 16 quarterly installments beginning on March 8, 2024, subject to continued service to us through the applicable vesting date.
(9) The ordinary shares are subject to a PSU award based on achievement of specified performance metrics. Based on actual achievement for fiscal year 2024, 97% of the target PSUs were earned. One-third of the actual amounts received based on achievement vested on the determination date of June 8, 2024; thereafter, one-eighth of the remaining shares will vest quarterly, beginning on September 8, 2024, subject to continued service to us through the applicable vesting date.
(10) The ordinary shares subject to the award of RSUs vest in 16 quarterly installments beginning on March 8, 2023, subject to continued service to us through the applicable vesting date.
(11) The ordinary shares subject to the award of RSUs vest in 16 equal quarterly installments beginning on June 8, 2022, subject to continued service to us through the applicable vesting date.
(12) The ordinary shares subject to the award of RSUs vest in 16 quarterly installments beginning on March 8, 2022, subject to continued service to us through the applicable vesting date.
(13) The ordinary shares subject to the award of RSUs vest in 16 quarterly installments beginning on June 8, 2025, subject to continued service to us through the applicable vesting date.
(14) The ordinary shares subject to the option vest in 48 equal monthly installments beginning on January 8, 2021, subject to continued service to us through the applicable vesting date.
(15) The ordinary shares subject to the award of RSUs vest in two annual installments beginning on December 14, 2025, subject to continued service to us through the applicable vesting date.
(16) The ordinary shares subject to the award of RSUs vest in 16 quarterly installments beginning on March 8, 2025, subject to continued service to us through the applicable vesting date.
(17) The ordinary shares subject to the award of RSUs vest in 16 quarterly installments beginning on June 8, 2023, subject to continued service to us through the applicable vesting date.
(18) The equity awards in relation to Navam Welihinda have been removed from 2025 as he is not a statutory director of the Group.

Key Management Personnel Transactions

Other than compensation disclosed above there were no other transactions with key management personnel and directors in the years ended April 30, 2026 and 2025.

(in thousands U.S. dollars unless otherwise stated)

Non-Executive Directors' Compensation

The table below shows the total compensation awarded to our non-executive directors during fiscal 2026 (Amount in $). Totals may not sum due to rounding.

	Fees earned or paid in cash	Share-based payment (1)		Total
Sohaib Abbasi (2)	$ 20,288	$ —		$ 20,288
Paul Auvil (3)	76,591	224,997	(4)	301,588
Alison Gleeson (3)	59,092	224,997	(4)	284,089
Shelley Leibowitz (3)	57,687	224,997	(4)	282,684
Caryn Marooney (3)	51,233	224,997	(4)	276,230
Chetan Puttagunta (3)	82,782	224,997	(4)	307,779
Steven Schuurman (5)	39,522	—		39,522
	$ 387,195	**$ 1,124,986**		**$ 1,512,181**

(1) The amounts shown represent the grant date fair value of RSU awards granted in fiscal year 2026 for financial reporting purposes pursuant to the provisions of the IFRS. Such amounts do not represent amounts paid to or realized by the nonexecutive director. See Note 17, "Share-Based Payment" regarding assumptions underlying valuation of equity awards. Additional information regarding the RSUs awarded to each non-executive director for fiscal year 2026 is set forth in the footnotes below.
(2) Mr. Abbasi's term as a member of our board of directors expired at our 2025 annual general meeting of shareholders. As of April 30, 2026, Mr. Abbasi held no RSUs.
(3) As of April 30, 2026, the non-executive director held 2,663 RSUs and no options to purchase ordinary shares.
(4) Represents the aggregate grant date fair value of RSUs granted to the incumbent non-executive directors on September 30, 2025, under the terms of our non-executive director compensation policy for fiscal year 2026 and the Stock Plan.
(5) Mr. Schuurman did not receive any grants of RSUs or options to purchase ordinary shares for fiscal year 2026 in accordance with our non-executive director compensation policy, which provides that a non-employee director who, at the time of appointment or the date of the annual general meeting, either beneficially owned more than 2% of the outstanding and issued share capital of the Company, or was a partner or a member of any venture capital firm that owns securities of the Company representing more than 2% of the outstanding and issued share capital of the Company, is not eligible to receive equity awards. As of April 30, 2026, Mr. Schuurman held no RSUs or options to purchase ordinary shares.

The table below shows the total compensation awarded to our non-executive directors during fiscal 2025 (amount in $). Totals may not sum due to rounding.

	Fees earned or paid in cash	Share-based payment (1)		Total
Sohaib Abbasi (2)	42,969	199,977	(3)	242,946
Paul Auvil (2)	67,489	199,977	(3)	267,466
Alison Gleeson (2)	50,475	199,977	(3)	250,451
Shelley Leibowitz (2)	50,000	199,977	(3)	249,977
Caryn Marooney (2)	40,000	199,977	(3)	239,977
Chetan Puttagunta (2)	76,000	199,977	(3)	275,977
Steven Schuurman (4)	35,000	—		35,000
	$ 361,933	**$ 1,199,861**		**$ 1,561,794**

(1) The amounts shown represent the grant date fair value of RSU awards granted in fiscal year 2025 for financial reporting purposes pursuant to the provisions of the IFRS. Such amounts do not represent amounts paid to or realized by the non-executive director. See Note 17, "Share-Based Payment" regarding assumptions underlying valuation of equity awards. Additional information regarding the RSUs awarded to each non-executive director for fiscal year 2025 is set forth in the footnotes below.
(2) As of April 30, 2025, the non-executive director held 2,666 RSUs and no options to purchase ordinary shares.
(3) October 1, 2024, under the terms of our non-executive director compensation policy for fiscal year 2025 and the Stock Plan.
(4) Mr. Schuurman did not receive any grants of RSUs or options to purchase ordinary shares for fiscal year 2025 in accordance with our non-executive director compensation policy, which provides that a non-employee director who, at the time of appointment or the date of the annual general meeting, either (i) beneficially owned more than 2% of the outstanding and issued share capital of the Company, or (ii) was a partner or a member of any venture capital firm that owns securities of the Company representing more than 2% of the outstanding and issued share capital of the Company, is not eligible to receive equity awards. As of April 30, 2025, Mr. Schuurman held no RSUs or options to purchase ordinary shares.

31. Group entities

A list of all group entities, including all subsidiaries and affiliated companies, prepared in accordance with the relevant legal requirements (Section 2:379(5) of the Dutch Civil Code), has been filed with the Dutch Trade Register.

Details of the Group's significant subsidiaries at the end of the reporting period are listed below. All of these subsidiaries are 100% owned and fully consolidated. There are no partially consolidated subsidiaries or non-participating interests owned by the Group.

Name	Statutory seat
Elastic International B.V.	Amsterdam, the Netherlands
Elastic Technologies (India) Private Limited	Bangalore, India
Elastic Technologies (Israel) Ltd.	Tel Aviv, Israel
Elastic Worldwide B.V.	Amsterdam, the Netherlands
Elasticsearch B.C. Ltd.	Vancouver, Canada
elasticsearch B.V.	Amsterdam, the Netherlands
Elasticsearch Federal Inc.	Delaware, USA
Elasticsearch, Inc.	Delaware, USA
Elasticsearch KK	Tokyo, Japan
Elasticsearch Limited	London, UK
Elasticsearch Pty Ltd	New South Wales, Australia
Endgame Systems, LLC.	Delaware, USA
Elasticsearch S.L.U.	Barcelona. Spain

32. Subsequent Events

On June 23, 2026, the Company committed to a plan to align its investments more closely with its strategic priorities. The plan is intended to simplify team structures, reduce organizational complexity, improve decision-making speed, reallocate resources towards key growth areas, and invest in the skills and capabilities needed to support the Company's ongoing growth. As part of this drive, the Company expects to reduce its workforce by approximately 7%. The Company plans to continue hiring in key strategic areas and locations, including continuing to grow headcount in customer-facing go-to-market functions, and expects total headcount to grow this fiscal year compared to last fiscal year, as it continues to invest in future growth opportunities.

The Company expects to incur total non-recurring cash charges of approximately $22 million to $25 million under the plan, which will primarily consist of employee-related costs, including severance and other termination benefits. The Company expects to incur most of these charges during the first quarter of fiscal 2027 and expects to incur the remaining amount of these charges in future periods. The Company expects that the implementation of the workforce reductions will be substantially completed by the end of the third quarter of fiscal 2027, although the timing of workforce reductions may vary by country based on local legal requirements. The foregoing estimates of the charges the Company expects to incur under the plan are subject to assumptions, including application of local legal requirements in various jurisdictions, and actual charges may differ from such estimates.

On August 21, 2026, the Company acquired 100% of the share capital of Deductive AI, Inc., an AI-powered investigation platform, for cash consideration of approximately $70 million. Based in the United States, Deductive AI, Inc. has built an AI site reliability engineering (“SRE”) agent that connects to a customer’s code, telemetry sources, and organizational knowledge to help engineering teams investigate alerts and production issues.

The acquisition will be accounted for as a business combination and, accordingly, the purchase price will be allocated to tangible and intangible assets acquired and liabilities assumed based on their respective fair values on the acquisition date. The Company is in the process of finalizing the purchase price allocation for the transaction.

On August 24, 2026, Ms. Marooney notified the Board that she will not be standing for re-appointment as a non-executive director following the expiration of her term at the 2026 AGM.

On August 26, 2026, the Board nominated Julia Liuson to stand for appointment to the Company's Board as a non-executive director at the 2026 AGM. Pursuant to Dutch law, Ms. Liuson’s appointment to the Board is subject to a shareholder vote, to be held at the 2026 AGM. Subject to her appointment to the Board, Ms. Liuson also will be appointed to serve as a member of the Company’s Compensation Committee.

Company Financial Statements

Elastic N.V.
Company Balance Sheet
April 30, 2026 and 2025
(in thousands U.S. dollars)

After appropriation of results

	Notes	As of April 30, 2026	As of April 30, 2025
Assets			
Non-current assets			
Financial fixed assets	2	$ 1,153,184	$ 1,571,284
Deferred tax assets	8	71,343	—
Deposits		1,009	469
Total non-current assets		**$ 1,225,536**	**$ 1,571,753**
Current assets			
Prepayments		2,310	2,130
Trade and other receivables	7	144,725	57,632
Marketable securities		601,537	669,717
Cash and cash equivalents		131,841	223,465
Total current assets		**880,413**	**952,944**
Total assets		**$ 2,105,949**	**$ 2,524,697**
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital		$ 1,155	$ 1,113
Share premium		910,862	947,823
Treasury shares		(275,695)	(369)
Translation reserves		(27,959)	(25,401)
Other reserves		1,574,121	1,271,515
Accumulated losses		(934,303)	(1,271,359)
Total shareholders' equity	4	**$ 1,248,181**	**$ 923,322**
Liabilities			
Non-current liabilities			
Provisions	3	261,703	802,731
Borrowings	5	570,895	569,729
Trade and other payables	6	6,785	—
Total non-current liabilities		**$ 839,383**	**$ 1,372,460**
Current liabilities			
Trade and other payables	6	18,385	228,915
Total current liabilities		**$ 18,385**	**$ 228,915**
Total liabilities		**$ 857,768**	**$ 1,601,375**
Total shareholders' equity and liabilities		**$ 2,105,949**	**$ 2,524,697**

The accompanying notes are an integral part of these financial statements

Elastic N.V.
Company Profit and Loss account
For the Years Ended April 30, 2026 and 2025
(in thousands US dollars unless otherwise stated)

	Notes	Year Ended April 30, 2026	Year Ended April 30, 2025
Share of results of investments, after tax	1	$ 55,815	$ 949
Other income/ (expense), after tax		281,241	(125,456)
Income/(Loss) for the year		$ 337,056	$ (124,507)

The accompanying notes are an integral part of these financial statements

1. Accounting Information and Policies

Basis of Preparation

The Company financial statements of Elastic N.V. (the "Company") have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code. The Company uses the option of Article 362.8 of Part 9, Book 2 of the Dutch Civil Code to prepare the Company's Financial Statements, based on the accounting principles of recognition, measurement and determination of profit, as applied in the consolidated financial statements (the "Consolidated Financial Statements"). These principles also include the classification and presentation of financial instruments, being equity instruments or financial liabilities. The Company presents a condensed income statement, using the facility of Article 402, Book 2, of the Dutch Civil Code. Elastic N.V. 's investments in Group companies are stated using the 'net asset value method' *('netto vermogens waarde methode')* as further outlined in Note 2.

For the principles of valuation of assets and liabilities and for the determination of results reference is made to the notes to the Consolidated Financial Statements. Based on interpretation of the Dutch Accounting Standard 100.107A, the company shall, upon identification of a credit loss on an intercompany loan and/or receivable, eliminate the carrying amount of the intercompany loan and/or receivable for the value of the identified credit loss.

All amounts are presented in thousands USD, unless stated otherwise.

The Consolidated Financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted by the European Union.

Financial Fixed Assets

Investments in Consolidated Subsidiaries

Investments in consolidated subsidiaries are entities (including intermediate subsidiaries and special purpose entities) over which the Company has control, i.e., the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are recognized from the date on which control is transferred to the Company or its intermediate holding entities and they are derecognized from the date that control ceases. Acquisitions of subsidiaries are recognized as part of the investments in the financial fixed assets note.

The Company applies the acquisition method to account for acquiring subsidiaries, consistent with the approach identified in the Consolidated Financial Statements. The consideration transferred for the acquisition of a subsidiary is the fair value of assets transferred, liabilities incurred to the former owners of the acquiree, and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, and liabilities and contingent liabilities assumed, in an acquisition are measured initially at their fair values at the acquisition date and are subsumed into the net asset value of the investment in consolidated subsidiaries. Acquisition-related costs are expensed as incurred.

Investments in consolidated subsidiaries are measured at net asset value. Net asset value is based on the measurement of assets, provisions and liabilities and determination of profit based on the principles applied in the Consolidated Financial Statements.

Investments: Recognition of Losses

When the Company's share of losses in an investment equals or exceeds its interest in the investment (including separately presented goodwill or any other unsecured non-current receivables, being part of the net investment), the Company does not recognize any further losses (unless it has incurred legal or constructive obligations or made payments on behalf of the investment, in which case the Company will recognize a provision).

Investments: Unrealized Gains and Losses

Unrealized gains on transactions between the Company and its investments in consolidated subsidiaries are eliminated in full, based on the consolidation principles. Unrealized gains on transactions between the Company and its investments in associates are eliminated to the extent of the Company's stake in these investments.

Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the assets transferred.

(in thousands U.S. dollars unless otherwise stated)

2. Financial Fixed Assets

Movements in financial fixed assets are as follows:

	Investments in Consolidated Subsidiaries
At April 30, 2024	
Net book value	$ 1,376,575
Movements in Book Value	
Investments	$ 11
Capital contributions	199,310
Share of results of investments	949
Translation results	(5,561)
	$ 194,709
At April 30, 2025	
Net book value	$ 1,571,284
Movements in Book Value	
Investments	$ 37,520
Capital contributions	28,221
Recharges (1)	(537,098)
Share of results of investments	55,815
Translation results	(2,558)
	$ (418,100)
At April 30, 2026	
Net book value	$ 1,153,184

(1) Recharges

During fiscal year 2026, the Company entered into a recharge agreement with Elasticsearch, Inc., a 100% owned subsidiary, effective May 1, 2021, under which Elasticsearch, Inc. reimburses the Company for share-based compensation awards granted by the Company to Elasticsearch, Inc.'s employees. The retrospective portion of the recharge, covering the period from May 1, 2021 to April 30, 2025, amounts to $537.1 million, and is presented as a separate line item within Financial Fixed Assets. The current-year portion of the recharge is netted against Capital Contributions, with a corresponding intercompany receivable recognized in both cases. Consistent with its treatment as an adjustment to the capital contribution arising from the underlying share-based payment transaction, the recharge has not been recognized in profit or loss, in accordance with IFRS 2, Share-based Payment.

(in thousands U.S. dollars unless otherwise stated)

3. Provisions

The Company's share of losses exceeded the carrying amount of its investment in one of its subsidiaries, resulting in a negative net asset value in the subsidiary. The Company has a constructive obligation to fund this deficit and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. Accordingly, a provision has been recognized in the financial statements.

	Provisions
At April 30, 2024	$ 665,973
Additions, net	136,758
At April 30, 2025	$ 802,731
Reversals, net	(541,028)
At April 30, 2026	$ 261,703

The reversal of the provision for the subsidiary with a negative net asset value of $541 million results from the additional capital contributions by the parent of $324.3 million and the share of profits generated by the subsidiary during the year ended April 30, 2026 of $216.7 million. In accordance with the Company's accounting policy for participating interests, the provision is reduced to the extent that the accumulated losses of the subsidiary are reversed through profitable operations.

4. Shareholders' Equity

	Share capital	Share premium	Treasury shares	Translation reserve	Other reserve	Accumulated losses	Total equity
Balances at April 30, 2024	**$ 1,071**	**$ 906,889**	**$ (369)**	**$ (19,840)**	**$1,003,716**	**$ (1,146,852)**	**$ 744,615**
Total comprehensive loss for the year:							
Loss for the period	—	—	—	—	—	(124,507)	(124,507)
Other comprehensive loss:							
Unrealized gain on marketable securities	—	—		—	3,995	—	3,995
Foreign currency translation differences	—	—	—	(5,561)	—	—	(5,561)
Total comprehensive loss for the year	—	—	—	**(5,561)**	**3,995**	**(124,507)**	**(126,073)**
Contributions by owners							
Issuance of ordinary shares upon exercise of stock options	9	17,845	—		—	—	17,854
Issuance of ordinary shares upon release of restricted stock units	29	—	—		(29)	—	—
Issuance of ordinary shares under employee stock purchase plan	4	23,089			—		$23,093
Share-based compensation expense	—	—	—		263,833	—	263,833
Balances at April 30, 2025	**$ 1,113**	**$ 947,823**	**$ (369)**	**$ (25,401)**	**$1,271,515**	**$ (1,271,359)**	**$ 923,322**
Total comprehensive income for the year:							
Income for the period	—	—	—	—	—	337,056	337,056
Other comprehensive loss:							
Unrealized loss on marketable securities	—	—	—	—	(2,109)	—	(2,109)
Foreign currency translation differences	—	—	—	(2,558)	—	—	(2,558)
Total comprehensive income for the year	—	—	—	**(2,558)**	**(2,109)**	**337,056**	**332,389**
Contributions by owners							
Issuance of ordinary shares upon exercise of stock options	3	2,801	—	—	—	—	2,804
Issuance of ordinary shares upon release of restricted stock units	24		—	—	(24)	—	—
Issuance of ordinary shares under employee stock purchase plan	5	25,010	—	—	—	—	25,015
Reissuance of treasury shares upon release of restricted stock units	10	(64,772)	64,762	—	—	—	—
Share-based compensation expense	—	—	—	—	304,739	—	304,739
Repurchases of ordinary shares			(340,088)				(340,088)
Balances at April 30, 2026	**$ 1,155**	**$ 910,862**	**(275,695)**	**$ (27,959)**	**$1,574,121**	**$ (934,303)**	**$1,248,181**

	Ordinary Shares	Treasury Shares
Balances at April 30, 2024	**101,705,935**	**35,937**
Ordinary shares issued upon exercise of stock options	791,874	—
Ordinary shares issued upon release of restricted stock units	2,672,842	—
Ordinary shares issued under employee stock purchase plan	364,236	—
Balances at April 30, 2025	**105,534,887**	**35,937**
Ordinary shares issued upon exercise of stock options	218,707	—
Ordinary shares issued upon release of restricted stock units	2,108,706	—
Ordinary shares issued under employee stock purchase plan	462,103	—
Reissuance of treasury shares upon release of restricted stock units	847,733	(847,733)
Repurchases of ordinary shares	(4,420,666)	4,420,666
Balances at April 30, 2026	**104,751,470**	**3,608,870**

Issuance of Shares

During fiscal 2026, 218,707 ordinary shares were issued upon exercise of stock options, 2,956,439 ordinary shares issued upon release of RSUs, and 462,103 shares were issued under the 2022 Employee Stock Purchase Plan ("2022 ESPP").

During fiscal 2025, 791,874 ordinary shares were issued upon exercise of stock options, 2,672,842 ordinary shares issued upon release of RSUs, and 364,236 shares were issued under the 2022 ESPP.

As of April 30, 2026, there were 28,438,422 shares available for grant under the 2012 Plan and 4,828,496 shares available for issuance under the ESPP.

Shares issued upon exercise of stock options were fully paid up in cash at the applicable exercise price. Shares issued upon release of restricted stock units were issued for nil cash consideration, representing settlement of vested equity awards for which the consideration consists of employee services rendered over the vesting period. Shares issued under the 2022 Employee Stock Purchase Plan were fully paid up in cash via employee payroll deductions at the applicable discounted purchase price.

Ordinary Shares and Preference Shares

At April 30, 2026 there were 165,000,000 ordinary shares authorized par value €0.01 per share; 104,751,470 shares issued and outstanding as of April 30, 2026 and 105,534,887 shares issued and outstanding as of April 30, 2025.

Each holder of ordinary shares has the right to one vote per ordinary share. The holders of ordinary shares are also entitled to receive dividends whenever funds are legally available and when proposed by the Company’s board of directors and adopted by the general meeting of shareholders, subject to the prior rights of holders of all classes of shares outstanding having priority rights to dividends. No dividends have been declared from the Company’s inception through April 30, 2026.

The board of directors has been authorized by the general meeting of shareholders, on the Company’s behalf, to issue the Company’s ordinary shares and grant rights to acquire the Company’s ordinary shares in an amount up to 20% of the issued share capital of the Company as of August 21, 2025. This authorization is valid for a period of 18 months from September 30, 2025, the date of such general meeting of shareholders, until March 30, 2027.

The Company’s authorized preference share capital pursuant to its articles of association amounts to 165 million preference shares at a par value per preference share of €0.01. Each holder of preference shares has rights and preferences, including the right to one vote per preference share. As of April 30, 2026, there were no preference shares issued or outstanding.

Preference shares in the capital of the Company may currently only be issued pursuant to a resolution adopted by the general meeting of shareholders at the proposal of the board of directors.

Share Repurchase Program

In October 2025, the Company’s board of directors authorized a program to repurchase up to $500.0 million of the Company’s ordinary shares (the “Share Repurchase Program”). Repurchases under the Share Repurchase Program may be effected through open market purchases, block trades, accelerated or other structured share repurchase programs, or otherwise in accordance with applicable federal securities laws, including trading arrangements conducted in accordance with Rule 10b5-1 under the Exchange Act. The timing and actual number of shares repurchased will depend on a variety of factors, including price, general business and market conditions, the Company’s liquidity, and other factors. The current authorization may be modified, suspended, or terminated at any time and does not have a specified expiration date.

The following table summarizes the share repurchase activity under the Company’s Share Repurchase Program (in thousands, except share and per share data):

	Year ended April 30, 2026
Number of shares repurchased	$ 4,420,666
Weighted-average price per share (1)	$ 76.91
Aggregate purchase price (1)	$ 340,000

Translation Reserve

This amount comprises the translation of participations from a foreign currency to the presentation currency.

Appropriation of Results

In accordance with Article 10.1.4 of the Group's Articles of Association, the board of directors of the Group has determined that the net income for fiscal 2026 be added to accumulated losses.

5. Borrowings

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

Interest on the Senior Notes is payable semi-annually in arrears on January 15 and July 15 of each year. The interest rate is 4.1250%. The Company may at its election redeem all or a part of the Senior Notes, on any one or more occasions, at the redemption prices set forth in the indenture governing the Senior Notes (the "Indenture"), plus, in each case, accrued and unpaid interest thereon, if any, to, but excluding, the applicable redemption date. The Company may also at its election redeem the Senior Notes in whole, but not in part, at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, if certain changes in tax law occur as set forth in the Indenture.

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

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

The net carrying amount of the Senior Notes was as follows (in thousands):

	Year Ended April 30,	
	2026	2025
Principal	$ 575,000	$ 575,000
Unamortized debt issuance costs	(4,105)	(5,271)
Net carrying amount	$ 570,895	$ 569,729

The following table sets forth the interest expense recognized related to the Senior Notes (in thousands):

	Year Ended April 30,	
	2026	2025
Contractual interest expense	$ 23,719	$ 23,719
Amortization of debt issuance costs	1,166	1,117
Total interest expense related to the Senior Notes	$ 24,885	$ 24,836

Based on the trading prices of the Senior Notes, the fair value of the Senior Notes as of April 30, 2026 was approximately $545.9 million. While the Senior Notes are recorded at cost, the fair value of the Senior Notes was determined based on quoted prices in markets that are not active; accordingly, the Senior Notes are categorized as Level 2 for purposes of the fair value measurement hierarchy.

The tables below summarizes the maturity groupings for the Senior Notes, for both fiscal years 2026 and 2025 (in thousands):

	Less than 1 year	Between 1 & 5 years	More than 5 years	Total	Carrying amount
Senior Notes	—	$ 575,000	—	$ 575,000	$ 570,895

(in thousands U.S. dollars unless otherwise stated)

6. Trade and Other Payables

	As of April 30,	
	2026	2025
Due to subsidiaries	$ 6,347	$ 214,440
Trade payables	649	1,449
Payroll and social charges liabilities	7,450	3,060
Accrued expenses	3,585	3,018
Other liabilities	7,139	6,948
Total Trade and other payables	$ 25,170	$ 228,915
Current	$ 18,385	$ 228,915
Non-current	6,785	—
Total Trade and other payables	$ 25,170	$ 228,915

Due to subsidiaries represent intercompany payables with consolidated subsidiaries arising in the ordinary course of business. These payables are short term in nature, unsecured, non-interest bearing and are generally repayable on demand.

On October 7, 2025, the Company acquired 100% of the share capital of Conic AI Technology Limited and its subsidiaries (collectively, “Jina AI”) for a total purchase consideration of $43.4 million. The purchase consideration includes $6.8 million held back by the Company for indemnity obligations, which will be released upon the 24-month anniversary of the acquisition. The total amount of $6.8 million corresponds to the non-current portion of the held obligation.

7. Trade and Other Receivables

	As of April 30,	
	2026	2025
Due from subsidiaries	$ 144,686	$ 57,506
Other	39	126
Total Trade and other receivables	$ 144,725	$ 57,632
Current	$ 144,725	$ 57,632
Non-current	—	—
Total Trade and other receivables	$ 144,725	$ 57,632

Due from subsidiaries represent intercompany receivables with consolidated subsidiaries arising in the ordinary course of business. These receivables are short term in nature, unsecured, non-interest bearing and are generally collectible on demand.

8. Deferred Tax Assets

As of April 30, 2026, the Dutch fiscal unity has a tax loss carry forward (TLCF) of approximately $1.557 billion (April 30, 2025: approximately $1.407 billion), of which $269.5 million (April 30, 2025: $238.3 million) relates to the Company.

Trading losses will reverse against future taxable profits in the Company.

As of 30 April 2026, based on the weight of all available positive and negative evidence, the Company concluded that it is probable that the Company's deferred tax assets will be recoverable. The recognition of deferred tax assets of $71 million was supported by the implementation of a committed tax planning action in fiscal year 2027 that is expected to generate sufficient future taxable income for the Dutch fiscal unity to support recovery of the recognized assets.

In accordance with IAS 12 *Income Taxes*, a deferred tax asset is recognized to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized. Deferred tax assets are recognized for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. The Company assesses whether it is more likely than not that some portion or all the deferred tax assets will be realized and therefore recognized in the financial statements. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. The Company makes estimates and judgments about future taxable income based on assumptions that are consistent with the Group’s plans and estimates.

(in thousands U.S. dollars unless otherwise stated)

9. Employees

During fiscal 2026 and 2025, the average number of employees, based on full time equivalents, was 0.

10. Directors' Remuneration

Non-executive Directors' Compensation

The table below shows the total compensation awarded to our non-executive directors during fiscal 2026 (Amount in $). Totals may not sum due to rounding.

	Fees earned or paid in cash	Share-based payment (1)		Total
Sohaib Abbasi (2) (6)	$ 20,288	$ —		$ 20,288
Paul Auvil (3)	76,591	224,997	(4)	301,588
Alison Gleeson (3)	59,092	224,997	(4)	284,089
Shelley Leibowitz (3)	57,687	224,997	(4)	282,684
Caryn Marooney (3)	51,233	224,997	(4)	276,230
Chetan Puttagunta (3)	82,782	224,997	(4)	307,779
Steven Schuurman (5)	39,522	—		39,522
	$ 387,195	**$ 1,124,986**		**$ 1,512,181**

(1) The amounts shown represent the grant date fair value of restricted stock unit ("RSU") awards granted in fiscal year 2026 for financial reporting purposes pursuant to the provisions of the IFRS. Such amounts do not represent amounts paid to or realized by the non-executive director. See Note 17, "Share-Based Payment" of the Notes to our Consolidated Financial Statements in the Company's Annual Report for fiscal year 2026 regarding assumptions underlying valuation of equity awards. Additional information regarding the RSUs awarded to each non-executive director for fiscal year 2026 is set forth in the footnotes below.
(2) Mr. Abbasi's term as a member of our board of directors expired at our 2025 annual general meeting of shareholders. As of April 30, 2026, Mr. Abbasi held no RSUs.
(3) As of April 30, 2026, the non-executive director held 2,663 RSUs and no options to purchase ordinary shares.
(4) Represents the aggregate grant date fair value of RSUs granted to the incumbent non-executive directors on September 30, 2025, under the terms of our non-executive director compensation policy for fiscal year 2026 and the Stock Plan.
(5) Mr. Schuurman did not receive any grants of RSUs or options to purchase ordinary shares for fiscal year 2026 in accordance with our non-executive director compensation policy, which provides that a non-employee director who, at the time of appointment or the date of the annual general meeting, either beneficially owned more than 2% of the outstanding and issued share capital of the Company, or was a partner or a member of any venture capital firm that owns securities of the Company representing more than 2% of the outstanding and issued share capital of the Company, is not eligible to receive equity awards. As of April 30, 2026, Mr. Schuurman held no RSUs or options to purchase ordinary shares.
(6) Sohaib Abbasi joined as a non-executive director of our board of directors in 2022 and stepped down during the past fiscal year at the annual General Meeting held on September 30, 2025. He served as Vice-Chairperson of our board of directors and was a member of the Compensation Committee.

The table below shows the total compensation awarded to our non-executive directors during fiscal 2025 (Amount in $). Totals may not sum due to rounding.

	Fees earned or paid in cash	Share-based payment (1)		Total
Sohaib Abbasi (2)	$ 42,969	$ 199,977	(3)	$ 242,946
Paul Auvil (2)	67,489	199,977	(3)	267,466
Alison Gleeson (2)	50,475	199,977		250,451
Shelley Leibowitz (2)	50,000	199,977	(3)	249,977
Caryn Marooney (2)	40,000	199,977	(3)	239,977
Chetan Puttagunta (2)	76,000	199,977	(3)	275,977
Steven Schuurman (4)	35,000	—		35,000
	$ 361,933	**$ 1,199,861**		**$ 1,561,794**

(1) The amounts shown represent the grant date fair value of RSU awards granted in fiscal year 2025 for financial reporting purposes pursuant to the provisions of the IFRS. Such amounts do not represent amounts paid to or realized by the non-executive director. See Note 17, "Share-Based Payment" regarding assumptions underlying valuation of equity awards. Additional information regarding the RSUs awarded to each non-executive director for fiscal year 2025 is set forth in the footnotes below.
(2) As of April 30, 2025, the non-executive director held 2,666 RSUs and no options to purchase ordinary shares.
(3) October 1, 2024, under the terms of our non-executive director compensation policy for fiscal year 2025 and the Stock Plan.
(4) Mr. Schuurman did not receive any grants of RSUs or options to purchase ordinary shares for fiscal year 2025 in accordance with our non-executive director compensation policy, which provides that a non-employee director who, at the time of appointment or the date of the annual general meeting, either (i) beneficially owned more than 2% of the outstanding and issued share capital of the Company, or (ii) was a partner or a member of any venture capital firm that owns securities of the Company representing more than 2% of the outstanding and issued share capital of the Company, is not eligible to receive equity awards. As of April 30, 2025, Mr. Schuurman held no RSUs or options to purchase ordinary shares.

11. Contingencies

Legal Matters

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

On February 11, 2025, an alleged shareholder of the Company filed a complaint in the United States District Court for the Eastern District of New York against the Company and one of its executive officers, Ashutosh Kulkarni, as well as a former executive officer of the Company, Janesh Moorjani, on behalf of a putative class of shareholders of the Company who purchased or otherwise acquired the Company's ordinary shares during the period from May 31, 2024 to August 29, 2024. The complaint, captioned "In re Elastic N.V. Securities Litigation," alleges that the defendants made materially false and misleading statements and omitted material information about the Company's business and financial results during the foregoing period in violation of Sections 10(b) and 20(a) of the Exchange Act and Exchange Act Rule 10b-5, which allegedly resulted in artificially inflated prices of the Company's shares. The complaint states that plaintiffs seek damages and attorneys' fees and costs. In May 2025, the Court appointed Lucid Alternative Fund, LP and Jeff Milan as co-lead plaintiffs in this matter. On August 1, 2025, the plaintiffs filed an amended complaint, citing the same core theories and claims but extending the class period to cover the period June 2, 2023 to August 29, 2024. On October 1, 2025, the Company filed a motion to dismiss the complaint. The plaintiffs filed an opposition to the motion on November 17, 2025, and the Company filed a reply on December 17, 2025. The motion to dismiss is pending before the Court. At this stage of the proceedings, the Company can neither predict the ultimate outcome of the litigation nor estimate any range of possible losses.

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

Indemnification

The Company enters into indemnification provisions under its agreements with other companies in the ordinary course of business, including business partners, landlords, contractors and parties performing its research and development. Pursuant to these arrangements, the Company agrees to indemnify, hold harmless, and reimburse the indemnified party for certain losses suffered or incurred by the indemnified party as a result of the Company's activities. The maximum potential amount of future payments the Company could be required to make under these agreements is not determinable. The Company to date has not incurred costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, the Company believes the fair value of these agreements is not material. The Company maintains commercial general liability insurance and product liability insurance to offset certain of the Company's potential liabilities under these indemnification provisions.

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

Statement of Liability

The Company assumes joint and several liability for all liabilities arising from legal acts of elasticsearch B.V., Elastic Worldwide B.V, and Elastic International B.V. in accordance with the provisions of Section 403, Part 9, Book 2 of the Dutch Civil Code. This declaration has been filed with the Trade Register of the Chamber of Commerce.

12. Subsequent Events

On August 21, 2026, the Company acquired 100% of the share capital of Deductive AI, Inc., an AI-powered investigation platform, for cash consideration of approximately $70 million. Based in the United States, Deductive AI, Inc. has built an AI site reliability engineering ("SRE") agent that connects to a customer's code, telemetry sources, and organizational knowledge to help engineering teams investigate alerts and production issues.

The acquisition will be accounted for as a business combination and, accordingly, the purchase price will be allocated to tangible and intangible assets acquired and liabilities assumed based on their respective fair values on the acquisition date. The Company is in the process of finalizing the purchase price allocation for the transaction.

On August 24, 2026, Ms. Marooney notified the Board that she will not be standing for re-appointment as a non-executive director following the expiration of her term at the 2026 AGM.

On August 26, 2026, the Board nominated Julia Liuson to stand for appointment to the Company's Board as a non-executive director at the 2026 AGM. Pursuant to Dutch law, Ms. Liuson's appointment to the Board is subject to a shareholder vote, to be held at the 2026 AGM. Subject to her appointment to the Board, Ms. Liuson also will be appointed to serve as a member of the Company's Compensation Committee.

The financial statements were approved by the board of directors and authorized for issue on August 26, 2026 and signed by:

Ashutosh Kulkarni (appointed March 9, 2022)
Executive Director & Chief Executive Officer
August 26, 2026

Shay Banon (appointed July 20, 2012)
Executive Director & Chief Technology Officer
August 26, 2026

Paul Auvil (appointed October 5, 2023)
Non-executive Director
August 26, 2026

Shelley Leibowitz (appointed October 1, 2021)
Non-executive Director
August 26, 2026

Alison Gleeson (appointed January 10, 2020)
Non-executive Director
August 26, 2026

Caryn Marooney (appointed April 25, 2019)
Non-executive Director
August 26, 2026

Chetan Puttagunta (appointed January 10, 2017)
Non-executive Director
August 26, 2026

Steven Schuurman (appointed July 20, 2012)
Non-executive Director
August 26, 2026

Elastic N.V.
Keizersgracht 281, 1016 ED, Amsterdam.
The Netherlands

OTHER INFORMATION

Appropriation of Result According to the Articles of Association

Article 10.1.4 of the Group's Articles of Association authorizes the board of directors of the Group to allocate any amount remaining out of profits (after distribution of dividends) to reserves. The Group generated a net income during the year and, accordingly, the board of directors of the Group has determined that the net income for fiscal 2026 be offset against the accumulated losses.

Independent Auditor's Report

The report of the independent auditor, PricewaterhouseCoopers Accountants N.V., is set forth on the following pages.