

Elastic N.V.

Dutch Statutory Board Report and Financial Statements

April 30, 2025

Amsterdam

	Page
DUTCH STATUTORY BOARD REPORT	<u>3</u>
INTRODUCTION	<u>4</u>
COMPANY AND BUSINESS OVERVIEW	<u>6</u>
<i>Our Products</i>	<u>7</u>
<i>Customers</i>	<u>9</u>
<i>Seasonality</i>	<u>9</u>
<i>Research and Development</i>	<u>9</u>
<i>Sales and Marketing</i>	<u>9</u>
<i>Partners</i>	<u>10</u>
<i>Services</i>	<u>10</u>
<i>Customer Support</i>	<u>10</u>
<i>Our Technology</i>	<u>11</u>
<i>Community</i>	<u>13</u>
<i>Competition</i>	<u>14</u>
<i>Intellectual Property</i>	<u>15</u>
<i>Environmental, Social and Governance Matters</i>	<u>15</u>
<i>Human Capital Management</i>	<u>16</u>
<i>Government Regulation</i>	<u>16</u>
<i>Governance</i>	<u>17</u>
<i>Legal Proceedings</i>	<u>18</u>
<i>Corporate Information</i>	<u>19</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION	<u>20</u>
<i>Overview</i>	<u>20</u>
<i>Key Factors Affecting Our Performance</i>	<u>21</u>
<i>Financial Results</i>	<u>23</u>
<i>Liquidity and Capital Resources</i>	<u>26</u>
<i>Off Balance Sheet Arrangements</i>	<u>27</u>
RISK MANAGEMENT AND RISK FACTORS	<u>29</u>
<i>Risks Related to our Business and Industry</i>	<u>31</u>
<i>Risks Related to Taxation</i>	<u>45</u>
<i>Risks Related to Regulatory Matters</i>	<u>49</u>
<i>Risks Related to Ownership of our Ordinary Shares</i>	<u>51</u>
<i>Risk Related to our Outstanding Senior Notes</i>	<u>54</u>
<i>General Risk Factors</i>	<u>56</u>
<i>Risk Management And Control Systems</i>	<u>58</u>
CORPORATE GOVERNANCE	<u>62</u>
<i>Dutch Corporate Governance Code</i>	<u>62</u>
<i>Other Codes of Conduct or Corporate Governance Practices</i>	<u>62</u>
<i>General Meeting of Shareholders</i>	<u>63</u>
<i>Board of Directors</i>	<u>63</u>
<i>Activities of and evaluation by the non-executive directors</i>	<u>70</u>
<i>Committees of the Board</i>	<u>70</u>
<i>Diversity</i>	<u>73</u>
REMUNERATION REPORT	<u>74</u>
RELATED PARTY DISCLOSURES	<u>79</u>
PROTECTIVE MEASURES	<u>80</u>
FINANCIAL STATEMENTS	<u>82</u>
OTHER INFORMATION	<u>134</u>

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 also refer to our fiscal year ended April 30, 2025 as “fiscal 2025” and to our fiscal year ended April 30, 2024 as “fiscal 2024.”

Forward-Looking Statements

This Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (the “Securities Act”), as amended, and Section 21E of the 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 fiscal 2026 outlook;
- 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 initiatives and investments involving artificial intelligence (“AI”);
- our future financial performance, including our expectations regarding our revenue, cost of revenue, gross profit or gross margin, operating expenses (which include changes in sales and marketing, research and development and general and administrative expenses), and our ability to achieve and maintain future profitability;
- our ability to continue to deliver and improve our offerings and successfully develop new offerings;
- customer acceptance and purchase of our existing offerings and new offerings, including expanding adoption of our cloud-based offerings;
- the impact of geopolitical conditions, including the evolving conflicts in the Middle East and Russia’s war with Ukraine, 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 security breaches or incidents;
- 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 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 sufficiency of our capital resources;
- our ability to successfully defend litigation brought against us;
- our ability to successfully execute our go-to-market strategy, including the positioning of our solutions and products, and to expand in our existing markets and into new markets;
- sufficiency 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;
- 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; 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. Elastic's Search AI 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 Search AI-powered solutions—Elasticsearch, 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 to the cloud, 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 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 powerful drag-and-drop visual analytics, centralized management capabilities, and the world's most downloaded open source vector database, our platform 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 (Amazon Web Services ("AWS"), Google Cloud Platform ("GCP"), and Microsoft ("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 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 rapid growth around the world. As of April 30, 2025, we had approximately 21,500 customers compared to approximately 21,000 customers as of April 30, 2024. Our total revenue was \$1.5 billion and \$1.3 billion for the years ended April 30, 2025 and 2024, respectively, representing year-over-year growth of 17% for the year ended April 30, 2025. Subscriptions accounted for 93% of our total revenue for the years ended April 30, 2025 and 2024. Revenue from outside the Netherlands accounted for 96.8% and 96.6% of our total revenue for the years ended April 30, 2025 and 2024, respectively.

We recorded a net loss of \$124.5 million for the year ended April 30, 2025 and a net income of \$59.2 million for the year ended April 30, 2024. We may incur net losses in the foreseeable future. Our net cash provided by operating activities was \$240.0 million and \$134.7 million for the years ended April 30, 2025 and 2024, 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 the Search AI Platform that address a wide variety of use cases. Our platform and each of our solutions (Elasticsearch, Elastic Observability, and Elastic Security) are designed to run in public or private clouds, in hybrid environments, or in multi-cloud environments.

Elastic's Search AI 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 to integrate generative AI and large language models by building key capabilities into its products.

Paid features enable capabilities such as automating anomaly detection on time-series data at scale through machine learning, facilitating 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:

- **Elasticsearch.** Our search solution provides a powerful foundation for building search AI-powered applications. Key use cases for Elasticsearch include generative AI and retrieval-augmented generation, search applications, and foundational capabilities for building search experiences to support websites and portals, e-commerce, mobile app search, customer support, and workplace search.
- **Elastic Observability.** Our observability solution enables unified analysis across the IT ecosystem of applications, networks, and infrastructure. Observability includes log analytics, to search, analyze, and visualize petabytes of structured and unstructured logs; infrastructure monitoring, to gain visibility across cloud, on-premises, Kubernetes, serverless, and hosts; Application Performance Monitoring (“APM”), to stream native production-grade OpenTelemetry without proprietary agents, and gain broad language support to deliver insight to pinpoint code issues and debug faster; digital experience monitoring, to improve user experience with synthetic testing, real user monitoring (“RUM”), and uptime monitoring AI for IT operations (“AIOps”), always-on machine learning analysis that instantly surfaces anomalies, patterns, correlations, and root cause; and LLM observability, to track latency, errors, prompts, responses, usage, and costs for all major LLM services.
- **Elastic Security.** Our security solution provides unified protection to prevent, detect, and respond to threats. Our Search AI-driven security analytics solution includes Security Information and Event Management (“SIEM”), with integrations to network, host, user, and cloud data sources. Elastic Security enables investigations, incident management, shareable analytics, and workflow automation through Security Orchestration, Automation, and Response (“SOAR”); and extended protection within SIEM with third party integrations and first party protections for both Endpoint Security (prevention, detection, and response); and Cloud Security (cloud posture assessment, vulnerability management, and cloud workload protection).

Our Deployment Options

Our platform and our solutions can be deployed in public or private clouds, in hybrid environments, or in multi-cloud environments, to satisfy various user and customer needs. Elastic Cloud, our family of cloud-based offerings (inclusive of both Elastic Cloud Hosted and Elastic Cloud Serverless), is hosted on major public cloud providers. We also partner with other cloud providers that offer our software to users on their cloud platform as a hosted offering.

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.

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 now integrated in our platform, through regular releases, to which everyone has access based on our subscription model. We continue to offer comprehensive Generative AI (“GAI”) capabilities in several key areas offering organizations tools and infrastructure to leverage GAI, including vector search capabilities, inference and retrieval APIs, embedding and relevance models, agentic workflows, data ingestion, data management, and domain-specific applications. We view our Search 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 recently released Elastic Cloud Serverless as an additional paid service offering for our customers. 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 to invest in our sales and marketing team to grow our customer base. Through Elastic Cloud, we provide the fastest and easiest way to get started with a free trial. However, there is no free subscription tier in Elastic Cloud. Self-managed users can easily download our software directly from our website and access many features free of charge, which also facilitates adoption. We offer varied deployment options 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 prior to 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 developer or a small team for an initial project or use case with an objective to quickly solve a technical challenge or business problem. 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 subscription tier levels.
- **Increase usage of Elastic Cloud.** As users and customers increasingly want to consume highly-scalable cloud solutions, we believe that Elastic Cloud continues to represent a significant growth opportunity. We plan to continue to invest resources in driving further innovation and increasing the adoption of Elastic Cloud. We recently launched a new Elastic Cloud Serverless offering that simplifies operational management of our platform, delivering easier onboarding and autoscaling across security, observability, and search solutions.
- **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, 2025, we had approximately 21,500 customers compared to approximately 21,000 customers as of April 30, 2024. One customer, a channel partner, accounted for 12% of total revenue for the year ended April 30, 2025 and 11% of total revenue for the year ended April 30, 2024.

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 \$361.6 million and \$342.9 million for the years ended April 30, 2025 and 2024, 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. 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 Elastic Cloud or have downloaded 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. The majority of our new customers use Elastic Cloud. 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 Microsoft 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, RedHat, Vectorize.io, and Unstructured, along with all of the major hyperscalers, consisting of Amazon Web Services (AWS), Google Cloud, and Microsoft.

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 (Elasticsearch, 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 re-ranking capabilities to deliver the most relevant results—we go beyond traditional vector databases. Elastic has the only platform with Better Binary Quantization to reduce the memory required without sacrificing accuracy, and provide native integrations to the leading AI providers.
- **Retrieval Augmented Generation (“RAG”).** Customers use Elasticsearch to build generative AI applications on private data. RAG enables them to ground LLMs on a specific corpus of data without needing to train or fine-tune models. Elasticsearch excels at producing the most relevant context for grounding LLMs using RAG, while also delivering enterprise-grade security based on document and field-level permissions that ensure data privacy and security. When using RAG with Elastic, customers also benefit from built-in tools and models that cover the entire RAG workflow from ingest and inference to retrieval and LLM integration, giving developers everything they need to build RAG-based applications.
- **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 very 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 application programming interfaces (“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 re-balanced 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. Additionally, the interfaces for many of our solutions (e.g., 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 Search AI 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: Elasticsearch, 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.

Elasticsearch 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, or applications with sophisticated retrieval algorithms and the ability to integrate with large language models. 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.
- **Workplace search.** Customers can deploy internal workplace search to bring modern search to collaborative decisions and experiences. Elastic seamlessly connects to some of the world's most widely adopted productivity tools, customer relationship management platforms, cloud storage platforms, collaboration tools, operation management platforms, and content management systems. Custom sources provide a set of APIs that let customers and users ingest any type of content from even more sources while preserving access control information.

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 400+ 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 (“SLO”).
- **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 (“ECS”) 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, reducing manual effort without switching platforms.
- **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—even on isolated hosts. Endpoint data, whether native or from third-party tools, can be analyzed alongside other telemetry to provide context and trigger automated response actions across systems.
- **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.
- **Cloud security.** Elastic provides cloud detection and response capabilities directly within the SIEM, giving security teams visibility into activity across multi-cloud environments. It combines cloud workload monitoring with posture and vulnerability context. Native telemetry from cloud providers and findings from third-party CSPM 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.

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 the users who download our software. Our users interact with us on our website forums and on X (formerly known as Twitter), 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 Elasticsearch and other platform use cases: offerings such as Apache Solr (open source offering), Lucidworks Fusion, and MongoDB Atlas, and search tools including Algolia, Coveo, Google, Pinecone, and Microsoft Azure Cognitive Search.
- For Elastic Observability: software vendors with specific observability solutions, such as AppDynamics (owned by Cisco Systems), Datadog, Dynatrace, New Relic, and Splunk (owned by Cisco Systems).
- For Elastic Security: security vendors such as Azure Sentinel (by Microsoft), CrowdStrike, Google SecOps, Palo Alto Networks, and Splunk (owned by Cisco Systems).
- Certain cloud hosting providers and managed service providers, 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, business analytics 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 in 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, 2025, we had a number of active patents, issued in both the United States and outside of the United States, with expirations ranging from 2031 to 2042. In addition, as of April 30, 2025, 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 or other jurisdictions, and we therefore 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."

Environmental, Social and Governance Matters

In our environmental, social, and governance ("ESG") efforts, 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, IFRS S2 climate-related disclosure standard, and relevant United Nations Sustainable Development Goals (UN SDGs), with a focus on ESG-related impacts, risks, and opportunities. We organize our efforts around four core ESG 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.

ESG Oversight

At the board of directors level, our Nominating and Corporate Governance Committee is tasked with oversight for our sustainability and ESG activities, programs, and disclosures. Additionally, we have established an ESG and Sustainability steering committee consisting of several senior executives with responsibility for functional areas covering our ESG activities. Supporting the ESG and Sustainability steering committee is a cross-functional Sustainability Operating Committee and legal ESG working group. These groups seek to provide strategic direction and applicable approvals to our cross-functional ESG working group, which implements ESG initiatives throughout Elastic and contributes to developing ESG disclosures. These committees also provide updates to the Nominating and Corporate Governance Committee and the board of directors. In fiscal year 2025, we established a legal ESG working group, where members of our legal and business integrity team collaborate closely with sustainability team members to monitor emerging regulatory requirements and prepare for compliance across our operating jurisdictions.

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 we operate with a relatively low office energy use footprint. We are also focused on managing greenhouse gas emissions in order 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 what is necessary to support our operations globally, which minimizes office energy and water consumption and waste generation. Further, our workplace team runs 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 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 with an emphasis on 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, 2025, we had a total of 3,537 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 in the same room—or even in the same time zone—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. We formally seek employee feedback through regular employee experience surveys, and the results of these surveys are reviewed at the company, functional, team, and manager level.

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 harassment, discrimination, or 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 solely of independent directors.
- 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 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 stakeholders.
- 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.

Vendor Code of Conduct

Our commitment to responsibly managing and partnering with our suppliers is embodied in our Global Vendor Code of Conduct ("GVCC"), which applies to all suppliers of products or services to Elastic. Through the GVCC, 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 GVCC is available on our website at elastic.co/trust/business-integrity.

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 participation by our Chief Executive Officer and Chief Financial Officer as well as other business leaders, regularly meets with investors, prospective investors, and investment analysts. Our Investor Relations team regularly communicates topics discussed with shareholders and shareholder feedback to senior management, which in turn is 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 stakeholders.

In fiscal year 2025, 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 Elastic Search AI 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. 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 more. 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 such as the Elastic Contributor Program and Elastic Excellence Awards, we aim to acknowledge 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 not currently 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 Search AI-powered solutions—Elasticsearch, 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 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 powerful drag-and-drop visual analytics, centralized management capabilities, and the world's most downloaded open source vector database, our platform 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. 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 to the cloud, 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 separately. Our subscription agreements typically range from one to three years and are usually billed annually in advance. Our subscription agreements are both term-based and 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 93% of total revenue for the years ended April 30, 2025 and 2024. 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 Elastic Cloud or have downloaded our software. As of April 30, 2025, we had approximately 21,500 customers compared to approximately 21,000 customers as of April 30, 2024. The majority of our new customers use Elastic Cloud. 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 1,510 and over 1,330 as of April 30, 2025 and 2024, respectively. 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 \$1.483 billion for the year ended April 30, 2025 from \$1.267 billion for the year ended April 30, 2024, representing year-over-year growth of 17% for the year ended April 30, 2025. For the year ended April 30, 2025, 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 incurred a net loss of \$124.5 million for the year ended April 30, 2025 and generated a net income of \$59.2 million for the year ended April 30, 2024. Our net cash provided by operating activities was \$240.0 million and \$134.7 million for the years ended April 30, 2025 and 2024, respectively. We had accumulated losses of \$1.271 billion as of April 30, 2025 due to losses in all but one of our prior years. We may incur net losses in the future and there can be no assurance whether, or when, we may become profitable 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 3,537 employees as of April 30, 2025.

Current Economic Conditions

Macroeconomic events, including a possible resurgence in inflation, fluctuations in economic growth, changes in and uncertainty of international trade policies, and political unrest, 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 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 depends on many factors, including those described below. While each of these factors presents significant opportunities for our business, they also pose important challenges that we must successfully address in order to sustain our growth and improve our results of operations.

Developing new features for Elastic's Search AI 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, Observability and 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. 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 converting users of our software to paid subscribers. Our financial performance depends on growing our paid customer base by converting free users of our software into paid subscribers. Our distribution model has resulted in rapid adoption by developers around the world. We have invested, and expect to continue to invest, heavily in sales and marketing efforts to convert additional free users to paid subscribers. Our investment in sales and marketing is significant given our large and diverse user base. These investments are likely to occur before we realize the anticipated benefits of such investments, such that they may adversely affect our operating results in the near term.

We recently added the Affero General Public License 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 Server Side Public License Version 1.0. 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, or 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, or Current Period Value, which includes any growth in the value of their subscriptions or usage and is net of contraction or attrition over the prior twelve months. We then divide the Current Period Value by the Prior Period Value to arrive at an expansion rate. The Net Expansion Rate at the end of any period is the weighted average of the expansion rates as of the end of each of the trailing twelve months. The Net Expansion Rate includes the dollar-weighted value of our subscriptions or usage that expand, renew, contract, or 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, 2025.

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.

Increasing adoption of Elastic Cloud. Elastic Cloud, our family of cloud-based offerings, is an important growth opportunity for our business. Organizations are increasingly looking for hosted deployment alternatives with reduced administrative burdens. In some cases, users of our source available software that have been self-managing deployments of our platform subsequently become paying subscribers of Elastic Cloud. For the years ended April 30, 2025 and 2024, Elastic Cloud contributed 46% and 43% of our total revenue, respectively. We believe that offering Elastic Cloud is important for achieving our long-term growth potential, and we expect Elastic Cloud's contribution to our subscription revenue to continue to increase over time. However, we expect that an increase in the relative contribution of Elastic Cloud to our business will continue to have a modest adverse impact on our gross margin as a result of the associated third-party hosting costs.

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 (loss) income.

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 personnel and related costs for employees associated with supporting our subscription arrangements, certain third-party expenses, and amortization of certain intangible and other assets. Personnel and related costs comprise cash compensation, benefits and stock-based compensation to employees, costs of third-party contractors, and allocated overhead costs. Third-party expenses consist of cloud hosting costs and other expenses directly associated with our customer support. We expect our cost of subscription 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 hosting costs.

Operating Costs

Research and development. Research and development expense primarily consists of personnel and related 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 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 stock-based compensation, one-time tax benefits or charges as well as the BEAT legislation in the United States.

Comparison of Fiscal Years Ended April 30, 2025 and 2024

Revenue

	Year Ended April 30,		Change	
	2025	2024	\$	%
		(in thousands)		
Revenue				
Subscription	\$ 1,384,520	\$1,176,606	\$ 207,914	18%
Services	98,776	90,715	8,061	9%
Total revenue	\$ 1,483,296	\$ 1,267,321	\$ 215,975	17%

Subscription revenue increased by \$207.9 million, or 18%, for the year ended April 30, 2025 compared to the prior year. This increase was primarily driven by continued adoption of Elastic Cloud, which grew 26% over the prior year and increased to 46% of total revenue for the year ended April 30, 2025 from 43% for the year ended April 30, 2024.

Services revenue increased by \$8.1 million, or 9% for the year ended April 30, 2025 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	
	2025	2024	\$	%
		(in thousands)		
Cost of Revenue				
Subscription	\$ 282,959	\$ 245,864	\$ 37,095	15%
Services	98,525	86,612	11,913	14%
Total cost of revenue	\$ 381,484	\$ 332,476	\$ 49,008	15%
Gross profit	\$ 1,101,812	\$ 934,845	\$ 166,967	18%
Gross margin – Subscription	80%	79%		
Gross margin – Services	—%	5%		

Cost of subscription revenue increased by \$37.1 million, or 15%, for the year ended April 30, 2025 compared to the prior year. This increase was primarily due to an increase of \$38.4 million in cloud infrastructure costs, partially offset by a decrease of \$3.1 million in intangible assets amortization. Subscription gross margin improved to 80% for the year ended April 30, 2025 compared to 79% for the prior year.

Cost of services revenue increased by \$11.9 million, or 14%, for the year ended April 30, 2025 compared to the prior year. This increase was primarily due to increases of \$5.2 million in personnel and related costs and \$6.4 million in subcontractor costs. Gross margin for professional services revenue was nominal for the year ended April 30, 2025 compared to 5% for the prior year. The decrease in gross margin was primarily attributable to personnel and related costs and subcontractor costs growing at a higher rate than the growth in services revenue. 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	
	2025	2024	\$	%
		(in thousands)		
Research and development	\$ 361,610	\$ 342,907	\$ 18,703	5%

Research and development expense increased by \$18.7 million, or 5%, for the year ended April 30, 2025 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 \$17.1 million in personnel and related costs and \$4.7 million in cloud infrastructure costs related to our research and development activities. These increases were partially offset by decreases of \$3.4 million in travel costs and \$0.8 million in consulting fees. The increase in personnel and related costs included increases of \$12.9 million in salaries and related taxes, \$3.1 million in employee benefits expense, and \$2.3 million in stock-based compensation, partially offset by a decrease of \$1.4 million in acquisition-related compensation.

Sales and marketing

	Year Ended April 30,		Change	
	2025	2024	\$	%
		(in thousands)		
Sales and marketing	\$ 619,966	\$ 561,362	\$ 58,604	10%

Sales and marketing expense increased by \$58.6 million, or 10%, for the year ended April 30, 2025 compared to the prior year. This increase was primarily due to an increase of \$56.8 million in personnel and related costs. The increase in personnel and related costs included increases of \$22.4 million in salaries and related taxes, \$15.5 million in commission expense, \$11.2 million in stock-based compensation, and \$6.8 million in employee benefits expense.

General and administrative

	Year Ended April 30,		Change	
	2025	2024	\$	%
		(in thousands)		
General and administrative	\$ 181,971	\$ 172,634	\$ 9,337	5%

General and administrative expense increased by \$9.3 million, or 5%, for the year ended April 30, 2025 compared to the prior year. This increase was primarily due to increases of \$6.2 million in personnel and related costs and \$2.0 million in software and equipment expense. The increase in personnel and related costs included increases of \$5.8 million in salaries and related taxes and \$1.5 million in employee benefits expense.

Restructuring and other related charges

	Year Ended April 30,		Change	
	2025	2024	\$	%
		(in thousands)		
Restructuring and other related charges	\$ 225	\$ 4,917	\$ (4,692)	(95)%

Restructuring and other related charges decreased by \$4.7 million for the year ended April 30, 2025 compared to the prior year due to lower employee-related severance and termination benefit charges.

Other income

	Year Ended April 30,		Change	
	2025	2024	\$	%
		(in thousands)		
Other income	\$ (3,673)	\$ (3,979)	\$ 306	(8)%

Other income primarily includes sublease income, which remained relatively flat for the year ended April 30, 2025 compared to the prior year.

Finance Income and Costs

	Year Ended April 30,		Change	
	2025	2024	\$	%
Finance costs	\$ 29,412	\$ 33,671	\$ (4,259)	(13)%
Finance income	\$ (51,823)	\$ (38,390)	\$ (13,433)	35 %

Finance costs decreased by \$4.3 million, or 13%, for the year ended April 30, 2025 compared to the prior year. This decrease was primarily due to decreases in interest expense and net foreign exchange losses of \$2.1 million and \$1.0 million, respectively.

Finance income increased by \$13.4 million, or 35%, for the year ended April 30, 2025 compared to the prior year. The increase was primarily due to an increase of \$10.3 million in interest and other investment income primarily from our marketable securities.

Income Tax (Expense) Benefit

	Year Ended April 30,		Change	
	2025	2024	\$	%
		(in thousands)		
Income tax benefit (expense)	\$ (88,631)	\$ 197,455	\$ (286,086)	(145)%

The Income Tax expense was \$(88.6) million for the year ended April 30, 2025 compared to a benefit from income taxes of \$197.5 million for the prior year. Our effective tax rate was (247)% and 143% of our net loss before income taxes for the years ended April 30, 2025 and 2024, respectively. Our effective tax rate is affected by recurring items, such as tax rates in jurisdictions outside the Netherlands and the relative amounts of income we earn in those jurisdictions and non-deductible stock-based compensation as well as one-time tax benefits or charges.

The benefit from income taxes for the year ended April 30, 2024 was driven primarily by a recognition of U.S. federal and certain states' deferred tax assets of \$250.7 million.

Liquidity and Capital Resources

As of April 30, 2025, our principal sources of liquidity were cash, cash equivalents, and marketable securities totaling \$1.397 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 is strong and diversified among industries and individual issuers.

We have generated significant operating losses from our operations as reflected in our accumulated losses of \$1.271 billion as of April 30, 2025. We have historically incurred, and expect to continue to incur, operating losses and 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 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, 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.

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

	Year Ended April 30,		Change	
	2025	2024	\$	%
		(in thousands)		
Net cash provided by operating activities	\$ 240,009	\$ 134,687	\$ 105,322	78%
Net cash used in investing activities	\$ (80,361)	\$ (260,104)	\$ 179,743	(69)%
Net cash provided by financing activities	\$ 27,820	\$ 26,054	\$ 1,766	7%

Net cash provided by operating activities

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 stock-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 operating activities during the year ended April 30, 2024 was \$134.7 million, which resulted from adjustments for non-cash charges of \$154.6 million and a net income of \$59.2 million, partially offset by a net cash outflow of \$29.8 million from changes in operating assets and liabilities, cash paid for interest on borrowings of \$25.1 million, and cash paid for income taxes of \$24.2 million. Non-cash charges consisted of \$249.3 million for stock-based compensation expense, \$78.5 million for amortization of deferred contract acquisition costs, an increase of \$27.4 million in income tax liability, \$19.2 million for depreciation and intangible asset amortization expense, \$10.9 million for amortization of right-of-use assets, and \$5.1 million of miscellaneous other items offset by \$227.0 million from an increase in deferred income taxes and \$8.8 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 \$119.8 million as our sales commissions increased due to increased business volume, an increase of \$67.2 million in trade and other receivables, and an increase in prepayments of \$27.7 million. These outflows were partially offset by increases in deferred revenue of \$134.6 million and trade and other payables of \$49.2 million and a decrease in deposits of \$1.2 million.

Net cash used in investing activities

Net cash used in investing activities of \$80.4 million during the year ended April 30, 2025 was primarily due to purchases 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 investing activities of \$260.1 million during the year ended April 30, 2024 was primarily due to the purchase of marketable securities of \$536.8 million, business acquisitions, net of cash acquired, of \$19.1 million, and purchases of property and equipment of \$3.5 million. These expenditures were offset by cash provided by maturities and redemptions of marketable securities of \$271.4 million and interest received primarily from marketable securities of \$28.1 million,

Net cash provided by financing activities

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.

Net cash provided by financing activities of \$26.1 million during the year ended April 30, 2024 was due to proceeds from stock option exercises of \$20.9 million and purchases under our employee stock purchase plan of \$19.1 million, offset by payment of lease liabilities of \$14.0 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 2026 Outlook

As we look ahead to fiscal 2026, 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 \$1.271 billion as of April 30, 2025. We have historically incurred, and expect to continue to incur, operating losses and while we generated cash provided by operations of \$240.0 million in fiscal 2025, 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, 2025, our principal sources of liquidity were cash, cash equivalents, and marketable securities totaling \$1.397 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 26 continues to emphasize innovation within our existing offering, 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 2025, we had 3,537 employees in over 40 countries globally. We expect modest headcount growth in fiscal 2026, aligned with business priorities and operational needs.

Overall, our fiscal 2026 outlook reflects operational continuity of fiscal 2025. Barring any unforeseen macroeconomic shifts, we do not anticipate material deviations from our fiscal 25 trajectory and intend to continue to execute on our strategic goals

Events After The Balance Sheet Date

On May 21, 2025, the Company acquired 100% of the share capital of Keep Alerting Ltd., an open source AIOps company, for cash consideration of approximately \$10.0 million. Headquartered in Israel, Keep Alerting Ltd. unifies alerts and automates incident remediation, helping users manage alerts to improve operational efficiency and service reliability.

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.

On August 22, 2025, Sohaib Abbasi notified the board of directors of the Company that he will not be standing for re-appointment as a non-executive director following the expiration of his term at the Company's upcoming annual general shareholders meeting in September 2025 (the "Annual Meeting"). Mr. Abbasi has served on our board of directors since July 2022, and we are grateful for his dedication and contributions to our company during this period. Accordingly, following the Annual Meeting, our board of directors will be composed of eight directors, consisting of two executive directors and six non-executive directors.

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.
- Information technology 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 spending, evolving international trade policies and environments, and other conditions discussed in this report, and by the evolving conflicts in the Middle East and Russia's war with Ukraine.
- We may not be successful in our artificial intelligence initiatives, 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.
- 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.
- Our ability to grow our business will suffer if we do not expand adoption of, or realize expected return on investments in, our Elastic Cloud offerings.
- Our operating results may fluctuate from quarter to quarter.
- Our limited history with consumption-based arrangements for our Elastic Cloud offerings is not adequate to enable us 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.
- The sales prices of our offerings may decrease, and 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 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.
- Our decision to no longer offer Elasticsearch and Kibana under an open source license may harm the adoption of those products.
- 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.
- 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 rapid 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 rapid 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 information technology 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 one of our prior fiscal years since our inception. As a result, we had accumulated losses of \$1,271.4 million as of April 30, 2025. Although we had net income of \$59.2 million for the year ended April 30, 2024, 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, economic downturns, or other factors, including as a result of rising rates of inflation 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 information technology 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 spending on information technology, and negatively affect the growth of our business. For example, inflation rates recently reached levels not seen in decades and 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 tightening their technology expenditures and investment. Further, the evolving conflicts in the Middle East and Russia's war with Ukraine 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 information technology spending, and further 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.

We may not be successful in our artificial intelligence initiatives, which could adversely affect our business, reputation, or financial results.

AI presents new risks and challenges that may affect our business. We have made, and expect to continue to make, continued investments to integrate AI and machine learning 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 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 may add costs and could increase our expenses as we continue to expand the breadth of use and applications of AI technologies, including generative AI, further into our product offerings, or to address changes to AI technologies, frameworks, or regulations. In addition, we may 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 such investments in building our product offerings and in sales and marketing, our product offerings may not be adopted by customers. We may not achieve significant revenue directly related to all of our AI-related initiatives for several years, if at all.

Further, 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. Further, given the complex nature of AI technology, we face an evolving regulatory landscape and significant competition from other companies. Competitors may incorporate AI into their products more quickly or more successfully than we do, which could impair our ability to compete effectively and adversely affect our financial results. 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 that our AI-related initiatives produce. Any of the foregoing could adversely affect our business, reputation, or financial results.

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.

We view our continued investment in AI and generative AI research and development as an opportunity to enhance our products and services, strengthen our competitive advantage, and contribute to the responsible advancement of AI and generative AI technology. While we aim to do so in a responsible manner, the use of AI and generative AI in our products and services presents ethical and legal risks to our business, financial condition, and results of operations. 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. 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 could, whether directly or indirectly, harm our results of operations, competitive position and business.

AI is the subject of evolving review by various domestic and international governmental and regulatory agencies, including the SEC and the Federal Trade Commission ("FTC"), and laws, rules, directives, and regulations governing the use of AI, such as the EU Artificial Intelligence Act, are changing and evolving rapidly. We may not always be able to anticipate how to respond to these legal frameworks for AI use and we may have to expend resources to adjust or audit our products and services in certain jurisdictions, especially if the legal frameworks are not consistent across jurisdictions. Any failure or perceived failure by us to comply with laws, rules, directives, and regulations governing the use of AI could have an adverse impact on our business.

If we experience a security incident, or 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 in 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 to 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.

In addition, 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 and our third-party vendors and service providers may be unable to anticipate these techniques, react to them in a timely manner, or implement adequate preventative measures. 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.

If our existing customers do not renew their subscriptions, our business and results of operations may be adversely affected.

We derive a significant portion of our revenue from renewals of existing subscriptions, although our customers may choose not to renew their subscriptions upon completion of the contract term. Our subscriptions for self-managed deployments typically range from one to three years, while many of our Elastic Cloud customers purchase subscriptions either on a month-to-month basis or on a committed contract of generally one to three years in duration.

Decisions by our customers concerning whether to renew their contracts depend on a number of factors, including their budgets, their satisfaction with our products and our customer support, our products' ability to integrate with new and changing technologies, the frequency and severity of product outages, our product uptime or latency, and the pricing of our products or competing products. If our customers renew their subscriptions, they may renew for shorter subscription terms or on other terms that are less financially advantageous to us. If our existing customers do not renew their subscriptions, or renew on less favorable terms, our revenue may grow more slowly than expected or decline.

Our 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 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. Our future success depends on our ability to sell our subscriptions to new customers, including to large enterprises, and to expand the deployment of our offerings with existing customers by selling paid subscriptions to our existing users and expanding the value and number of existing customers' subscriptions. Our ability to sell new subscriptions depends on a number of factors, including the prices of our offerings, the prices of products offered by our competitors, and the budgets of our customers. We also face difficulty in displacing the products of incumbent competitors. In addition, a significant aspect of our sales and marketing focus is to expand deployments within existing customers. The rate at which our existing customers purchase additional subscriptions and expand the value of existing subscriptions depends 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. If our customers do not recognize the potential of our offerings, our business would be materially and adversely affected. If our efforts to sell subscriptions to new customers and to expand deployments with existing customers are not successful, our total revenue may decline and revenue growth rate may decline or even become negative, and our business could suffer.

Our ability to grow our business may suffer if we are unable to expand adoption of or realize expected return on investments in our Elastic Cloud 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, 2025 and 2024, Elastic Cloud contributed 46% and 43% 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 offering makes 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 these offerings could decrease for reasons within or outside of our control, including, among other factors, lack of customer acceptance, technological challenges with bringing cloud offerings to market and maintaining those offerings, information security, data protection, or privacy concerns, our inability to properly manage and support our cloud-based offerings, competing technologies and products, weakening economic conditions, and decreases in corporate spending. 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 Elastic Cloud customers adopt consumption-based arrangements or as Elastic Cloud 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 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, which could have an adverse effect on our business.

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.

We do not have an adequate history with our consumption-based arrangements for our Elastic Cloud offerings 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 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 may be less predictable or more variable than our historical revenue, 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 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 they 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 longer operating histories, significantly greater financial, technical, marketing and other resources, stronger brand recognition, broader global distribution and presence, more established relationships with current or potential customers and partners, and larger customer bases than we do. These factors may allow our competitors to respond more quickly than we can to new or emerging technologies and changes in customer preferences. These competitors may engage in more extensive research and development efforts, undertake more far-reaching and successful sales and marketing campaigns, have more experienced sales professionals, execute more successfully on their go-to-market strategy and have greater access to more markets and decision makers, and adopt more aggressive pricing policies, which may allow them to build larger customer bases than we have. Claims made about our products by current and future competitors, even if misleading, may also negatively impact customer perceptions about us. New 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.

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 instead.

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, 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.

Sales of our products could suffer if the markets for those products do not grow or if we fail to adapt and respond effectively to evolving markets.

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

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 given 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 93% of total revenue for the years ended April 30, 2025 and 2024. 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 in that fiscal quarter and will negatively affect our revenue in future fiscal quarters.

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

We may not be able to maintain our prices and gross profits at levels that will allow us to achieve and maintain profitability. The sales prices for our offerings may decline or we may introduce new pricing models for a variety of reasons, including competitive pricing pressures, discounts, in anticipation of or in conjunction with the introduction of new offerings, or promotional programs. Competition continues to increase in the market segments in which we operate, and we expect competition to continue to increase and lead to increased pricing pressures. Larger competitors with more diverse offerings may reduce the price of offerings that compete with ours or may bundle them with other offerings. Additionally, currency fluctuations in some countries and regions and pressures from uncertain inflation and interest rate environments may negatively impact actual prices that customers and channel partners are willing to pay in those countries and regions. Any decrease in the sales prices for our offerings may reduce our revenue and gross profit, unless accompanied by an increase in volume to offset the effects of price decreases or, in the case of gross profit, unless accompanied by a corresponding decrease of sufficient magnitude in costs. Gross profit could also be adversely impacted by a shift in the mix of our subscriptions from self-managed to our cloud offering, for which we incur hosting costs, as well as by any increase in our mix of services relative to subscriptions.

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 46%, and 43% of our total revenue in fiscal 2025, and 2024 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. The loss of services of any of our key personnel also increases our dependency on other key personnel who remain with us. Although we have entered into employment offer letters with our key personnel, their employment is for no specific duration and constitutes at-will employment. We are also substantially dependent on the continued service of our existing engineering personnel because of the complexity of our products.

Our future performance also depends on the continued 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, which could adversely affect our business, financial condition, and results of operations. 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. We may need to invest significant amounts of cash and equity to attract and retain new employees, and we may never realize returns on these investments. 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 rapidly, 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 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.

If we cannot maintain the corporate culture that has contributed to our success, we could lose the innovation, creativity, and entrepreneurial spirit we have worked to foster, which could harm our business.

We believe that our culture has been and will continue to be a key contributor to our success. We expect to continue to hire as we expand. If we do not continue to maintain our corporate culture as we grow, we may be unable to foster the innovation, creativity, and entrepreneurial spirit we believe we need to support our growth. Moreover, many of our existing employees may be able to receive significant proceeds from sales of our ordinary shares in the public markets, which could lead to employee attrition and disparities of wealth among our employees that might adversely affect relations among employees and our culture in general. Additional headcount growth and employee turnover also may contribute to a change to our corporate culture, which could harm our business.

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, 2025, we had customers located in over 125 countries as we pursue our strategy to continue to expand internationally. In addition, as of April 30, 2025, 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, such as the evolving conflicts in the Middle East and Russia's war with Ukraine 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;
- 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, 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"), and similar applicable laws and regulations in other jurisdictions.

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

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

Our future results depend, in part, on our ability to sustain and expand our penetration of the international markets in which we currently operate and to expand into additional international markets. We 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. Specifically, our results of operations and cash flows are subject to currency fluctuations primarily in Euro, British Pound Sterling, Japanese Yen, Australian Dollar against the US 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.

Our generation of a portion of our revenue by sales to government entities subjects us to a number of risks.

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 and/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, which could adversely affect our results of operations.

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

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

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

In February 2021, with the release of version 7.11 of our platform, we changed the source code of Elasticsearch and Kibana, which had historically been licensed under Apache 2.0, to be dual licensed under Elastic License 2.0 and the Server Side Public License Version 1.0 ("SSPL"), at the user's election. Neither the Elastic License nor the SSPL has been approved by the Open Source Initiative or is included in the Free Software Foundation's list of free software licenses. Further, neither has been interpreted by any court. While the vast majority of downloads of Elasticsearch and Kibana from mid-2018 through early 2021 were licensed under the Elastic License, the removal of the Apache 2.0 alternative could negatively impact certain developers for whom the availability of an open source license was important. In addition, some developers and the companies for whom they work may be hesitant to download or upgrade to new versions of Elasticsearch or Kibana under the Elastic License or SSPL because of uncertainty regarding how these licenses may be interpreted and enforced. Other developers, including competitors of Elastic such as Amazon, have announced that they have "forked" Elasticsearch and Kibana, which means they have developed their own product or service that is based on features of Elasticsearch and Kibana that we had previously made available under an open source license. For example, Amazon has launched an open source project called OpenSearch based on a forked version of our platform, which is licensed under Apache 2.0, and has rebranded its existing Elasticsearch Service as OpenSearch Service. The combination of uncertainty regarding our dual license model and the potential competition from the forked versions of our software may negatively impact adoption of Elasticsearch and Kibana, which in turn could lead to reduced brand and product awareness and to a decline in paying customers, which could harm our ability to grow our business or achieve profitability.

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

We make the source code of our products available under Apache 2.0, the Elastic License, as dual licensed under the Elastic License and SSPL, depending on the product and version, or the GNU Affero General Public License v3. 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 cloud 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 permit licensees to copy, modify and distribute SSPL-licensed software, but expressly require licensees that offer the SSPL-licensed software as a third-party service to open source all of the software that they use to offer such service. We rely upon the enforceability of the restrictions set forth in the Elastic License and SSPL to protect our proprietary interests. If a court were to hold that the Elastic License or SSPL or certain aspects of these licenses are unenforceable, others may be able to use our software to compete with us in the marketplace in a manner not subject to the restrictions set forth in the Elastic License or SSPL.

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 managed service providers, 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 may 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.

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

We rely on third-party cloud platforms to host our cloud offerings. If we experience an interruption in service for any reason, our cloud offerings would similarly be interrupted. The 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, and adversely affect our business and growth prospects.

If our website fails to rank prominently in unpaid (organic) search results, traffic to our website could decline and revenue 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. The number of users we attract to our website from search engines is due in large part to how and where our website ranks in unpaid search results. These rankings can be affected by a number of factors, many of which are not in our direct control, and they may change frequently. For example, a search engine may change its ranking algorithms, methodologies, or design layouts. As a result, links to our website may not be prominent enough to drive traffic to our website, and we may not know how or otherwise be in a position to influence the results. Any reduction in the number of users directed to our website could reduce our revenue or require us to increase our customer acquisition expenditures.

Our business 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. If any of these third parties experience difficulty meeting our requirements or standards, become unavailable due to extended outages or interruptions, temporarily or permanently cease operations, face financial distress or other business disruptions such as a security incident, or increase their fees, if our relationships with any of these providers deteriorate, or if any of the agreements we have entered into with such third parties are terminated or not renewed without adequate transition arrangements, we could suffer liabilities, penalties, fines, increased costs, and delays in our ability to provide customers with our products and services, our ability to manage our finances could be interrupted, receipt of payments from customers may be delayed, our processes for managing sales of our offerings could be impaired, our ability to generate and manage sales leads could be weakened, or our business operations could be disrupted. Further, our business operations may be disrupted by negative impacts of the evolving conflicts in the Middle East and Russia's war with Ukraine 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.

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 and compete more effectively with us. If we fail to protect our intellectual property rights adequately, our competitors may gain access to our proprietary technology and our business may be harmed. In addition, defending our intellectual property rights might entail significant expense and resource allocation. 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.

Despite our precautions, it may be possible for unauthorized third parties to copy our products and use information that we regard as proprietary to create offerings that compete with ours. Effective patent, trademark, copyright, and trade secret protection may not be available to us in every country in which our products are available. We may be unable to prevent third parties from acquiring domain names, 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.

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 large language models, our products and solutions may contain integrations of third-party large language models, 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. Large indemnity payments could harm our business, results of operations, and financial condition. Although we normally contractually limit our liability with respect to such indemnity obligations, we may still incur substantial liability related to them. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other existing customers and new customers and harm our business and results of operations.

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

Our technologies strategically incorporate open source software from other developers, and we expect to continue to incorporate such open source software in our products in the future. Few of the licenses applicable to open source software have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products. Moreover, we may not have incorporated third-party open source software in our software in a manner that is consistent with the terms of the applicable license or our current policies and procedures. If we fail to comply with these licenses, we may be subject to certain requirements, including requirements that we offer our solutions that incorporate the open source software for no cost, that we make available source code for modifications or derivative works we create based upon incorporating or using the open source software, and that we license such modifications or derivative works under the terms of applicable open source licenses. 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 release timetables and requirements. Moreover, changes in supply chain and export control regulations imposed by the United States and other governments due to geopolitical changes and government policies may require us to make changes to some of our open source 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 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 and required to comply with onerous conditions or restrictions on these products, which could disrupt the distribution and sale of these products. In addition, there have been claims challenging the ownership rights in open source software against companies that incorporate open source software into their products, and the licensors of such open source software provide no warranties or indemnities with respect to such claims. In any of these events, we and our customers could be required to seek licenses from third parties in order to continue offering our products, and to re-engineer our products or discontinue the sale of our products 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, and such litigation could be costly for us to defend or subject us to an injunction. Some open source projects have known vulnerabilities and architectural instabilities and 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.

Risks Related to Taxation

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

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

For example, the Organisation for Economic Co-operation and Development (“OECD”)/G20 Inclusive Framework has been addressing the tax challenges 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 U.S. government has indicated that it intends to propose significant changes to the U.S. tax system. Many aspects of these potential proposals are still under discussion and we are unable to predict which, if any, changes to the U.S. tax system will be enacted into law, and what effects any enacted legislation might have on our tax liabilities. The U.S. government also has indicated that the United States may impose retaliatory measures with respect to jurisdictions that have, or are likely to, put in place tax rules that are extraterritorial or disproportionately affect American companies. The likelihood of these changes being enacted or implemented is unclear. We are currently unable to predict whether such changes will occur and, if they are adopted, the impact such changes will have on our business.

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 which increased to 10% in 2019 and will increase further to 12.5% in 2026. Thresholds for BEAT applicability could change or the BEAT tax rate could increase in connection with potential tax legislation sought by the U.S. government. 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 tax loss carryforward 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 and any changes to the BEAT, under proposed U.S. government legislation or otherwise, could have an adverse impact on our U.S. tax obligations, operating results and cash flows.

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, local, and non-U.S. tax laws 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 have an adverse impact on our operating results and cash flows.

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 several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents. The 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, sales, value-added, net worth or franchise, property, goods and services, and excise taxes, in both the United States and foreign jurisdictions. It is possible that tax authorities may disagree with certain positions we have taken, and any adverse outcome of such a review or audit could have a negative effect on our financial position and results of operations. Further, the determination of our worldwide provision for, or benefit from, income taxes and other tax liabilities requires significant judgment by management, and there are 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 in the period or periods for which such determination is made.

Our ability to use our tax loss carryforward to offset future taxable income may be subject to certain limitations.

As of April 30, 2025, we had tax loss carryforward (“TLCF”) for Netherlands, United States (federal and state, respectively), and United Kingdom income tax purposes of \$1.407 billion, \$546.3 million, \$551.2 million and \$97.9 million, respectively, which may be utilized against future income taxes. Limitations imposed by the applicable jurisdictions on our ability to utilize TLCFs could cause income taxes to be paid earlier than would be paid if such limitations were not in effect and could cause such TLCFs to expire unused, in each case reducing or eliminating the benefit of such TLCFs. Further, we may not be able to generate sufficient taxable income to utilize affected TLCFs before they expire. If any of these events occur, we may not derive some or all of the expected benefits from our TLCFs.

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 is strongly urged to consult such person’s tax advisor regarding the application of these rules and the availability of any potential elections.

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

If a U.S. person is treated as owning (directly, indirectly, or constructively) at least 10% of the total combined voting power of our shares, or of the total value of our shares, such shareholder may be treated as a "United States shareholder" with respect to each "controlled foreign corporation" in our group (if any). Because our group includes one or more U.S. subsidiaries, certain of our non-U.S. subsidiaries could be treated as controlled foreign corporations (regardless of whether we are treated as a controlled foreign corporation). A United States shareholder of a controlled foreign corporation may be required to report annually and include in its U.S. taxable income its pro rata share of "Subpart F income," "global intangible low-taxed income," and investments in U.S. property by controlled foreign corporations, regardless of whether we make any distributions. An individual that is a United States shareholder with respect to a controlled foreign corporation generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U.S. corporation. We cannot provide any assurances that we will assist investors in determining whether we or any of our non-U.S. subsidiaries is treated as a controlled foreign corporation or whether any investor is treated as a United States shareholder with respect to any such controlled foreign corporation or furnish to any investor who may be a United States shareholder information that may be necessary to comply with the reporting and tax paying obligations referred to above. Failure to comply with these reporting obligations may subject a shareholder who is a United States shareholder to significant monetary penalties and may prevent from starting the statute of limitations with respect to such shareholder's U.S. federal income tax return for the year for which reporting was due. A U.S. person should consult its tax advisors regarding the potential application of these rules to an investment in our ordinary shares.

We may not be able to make distributions or repurchase 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, 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 will be deemed to have distributed an amount equal to our entire market capitalization less recognized paid-up capital immediately before the occurrence of certain events, including if we cease to be a Dutch tax resident for purposes of a tax treaty concluded by the Netherlands with another jurisdiction and become, for purposes of such tax treaty, exclusively a tax resident of that other jurisdiction which is a qualifying jurisdiction. A qualifying jurisdiction is a jurisdiction other than a member state of the EU/EEA which does not impose a withholding tax on distributions, or that does impose such 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 will be subject to a 15% tax insofar as it exceeds a franchise of EUR 50 million. The tax will be payable by us as a withholding agent. A full exemption applies 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 will be deemed to have withheld the tax on the deemed distribution and have a statutory right to recover this from our shareholders. Dutch resident shareholders qualifying for the exemption are entitled to a credit or refund, and non-Dutch resident shareholders qualifying for the exemption are entitled to a refund, subject to applicable statutory limitations, provided the tax has been actually recovered from them.

The DWT Exit Tax 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 will 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, and the collection, storage, transfer, use, retention, sharing, disclosure, protection, and processing of personal data. Privacy, data protection, and information security laws 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. Federal, state, or non-U.S. government bodies or agencies have in the past adopted, and may in the future adopt, new laws and regulations or may enact amendments to existing laws and regulations affecting data protection, data privacy, 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, 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. This legislation may be subject to change with the introduction of the Data Protection and Digital Information (“DPDI”) Bill in 2023. The potential impact of these legal requirements on our business remains unclear.

We monitor privacy European case law, regulatory changes, and guidance from privacy authorities, and we have been regularly refining and updating our data transfer risk assessments to document that in relying on the GDPR’s Standard Contractual Clauses (“SCCs”) and their international equivalents we maintain the requisite level of privacy protection for our cross-border transfers of personal data. In July 2023, the European Commission adopted its adequacy decision on data transfers under the EU-U.S. Data Privacy Framework (“DPF”). The adequacy decision provides a new lawful basis for trans-Atlantic data transfers from data exporters in the EU to U.S. data importers who certify compliance with the DPF principles. After the European Commission confirmed the good functioning of the DPF upon the first anniversary of the adequacy decision, we successfully completed our self-certification under the DPF for both our employee data and our customer data and, we also have continued to maintain the SCCs in our internal and external agreements, as a backup data transfer mechanism in case the DPF were to fail. In light of these and other ongoing developments relating to EU-U.S. trade relations and other cross-border data transfers, we may experience additional costs associated with increased compliance burdens, which may negatively affect our ability to transfer personal data across our organization, to customers, or to third parties.

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, and information security requirements than those imposed by laws, regulations, or self-regulatory requirements, and we may be obligated contractually to comply with additional or different standards relating to our handling or protection of data on or by our offerings. Any failure to meet our customers’ requirements may adversely affect our revenues and prospects for growth.

We also expect that there will continue to be changes in interpretations of existing or new laws and regulations, proposed laws, and other obligations, which could impair our or our customers’ ability to process personal data, 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 manners 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 for employees and managers for willful violations, and the possible loss of our export or import privileges. Obtaining the necessary export license for a particular sale or offering may not be possible, 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, in some cases, limited. 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, economic sanctions, or related legislation; shifts in the enforcement or scope of existing export, import, or sanctions, laws or regulations; or changes in the countries, governments, persons, or technologies targeted by such export, import or sanctions laws or regulations.

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 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. Guidance, as well as other expectations, are forward-looking and represent our management’s estimates as of the date of release and are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic, and competitive uncertainties and contingencies on our business, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. 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 actual business results may vary significantly from such guidance or other expectations or that consensus due to a number of factors, many of which are outside of our control, including the global economic uncertainty and volatile financial market conditions characterizing the current macroeconomic environment, and which could adversely affect our business and future operating results. Further, if we make downward revisions of our previously announced guidance or other expectations, if we withdraw our previously announced guidance or other expectations, or if our publicly announced guidance or other expectations of future operating results fail to meet expectations of securities analysts, investors or other interested parties, the price of our ordinary shares 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, will have significant influence over matters that require approval by our shareholders, including matters such as adoption of the financial statements, declarations of dividends, the appointment and dismissal of directors, capital increases, amendment to our articles of association, and approval of significant corporate transactions. Corporate action might be taken even if other shareholders oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of us that other shareholders may view as beneficial.

The issuance of additional 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 October 1, 2024, 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, 2024, for a period of 18 months until April 1, 2026 (the “2024 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 2024 general meeting has empowered our board of directors to restrict or exclude pre-emptive rights on ordinary shares issued pursuant to the 2024 share issuance authorization, up to 10% of our issued share capital as of August 21, 2024 for a period of 18 months until April 1, 2026, 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, 2025, 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 grant of rights to subscribe for shares to our employees or contributions in kind.

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

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

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 take other corporate actions, including effecting changes in our management. These provisions include:

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

We are subject to the Dutch Corporate Governance Code but do not comply with all the suggested governance provisions of that law, 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, supervisory boards, shareholders and general meetings, financial reporting, auditors, disclosure, compliance and enforcement standards. The DCGC is based on a “comply or explain” principle. Accordingly, public companies are required to disclose in their annual reports, filed in the Netherlands, whether they comply with the suggested governance provisions of the DCGC. If they do not comply with those provisions, 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. The principles and suggested governance provisions apply to our board of directors (in relation to role and composition, conflicts of interest and independence requirements, board committees and remuneration), shareholders and the general meeting (for example, regarding anti-takeover protection and our obligations to provide information to our shareholders) and financial reporting (such as external auditor and internal audit requirements). We 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 or by our articles of association. Accordingly, investors must rely on sales of their ordinary shares after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

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

We are incorporated under the laws of the Netherlands and substantial portions of our assets are located outside of the United States. In addition, two members of our board of directors 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.

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

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

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

The preparation of financial statements in conformity with 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 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, 2025, we had \$575.0 million aggregate principal amount of our Senior Notes outstanding. Our indebtedness could have important consequences, including:

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

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

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

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

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. Our ability to restructure or refinance our debt will depend 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 covenants in the future and, if we fail to do so, we may not be able to obtain waivers from the relevant lenders and/or amend the covenants.

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

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

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

General Risk Factors

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. There is no assurance that acquired businesses will have invested sufficient efforts in their own regulatory compliance, and we may need to invest in and seek to improve the regulatory compliance controls and systems of such businesses. 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, 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, including conflicts in the Middle East and Russia's war with Ukraine, 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, which requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended and anticipate that we will continue to expend significant resources, including accounting-related costs and significant management oversight. We have incurred and expect to continue to incur significant expenses and devote substantial management effort toward compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. To assist us in complying with these requirements, we may need to hire more employees in the future, or engage outside consultants, which will increase our operating expenses.

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

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

Risk Management and Control Systems

Elastic, similar to other technology companies, operates in a complex, competitive, and rapidly changing environment that involves many risks. In addition to general market, research and development, and economic risks, the Group faces potential risks related to its industry, information technology and cybersecurity, data privacy, financial controls and reporting, compliance with applicable laws and regulations, finances and taxation, global operations, environment and social responsibility, and product portfolio and commercialization, among others. 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, all while maintaining flexibility in how we operate. 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 of 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.

Based on its oversight activities, reports from management and third parties, and extensive discussions and analyses, the Board believes that (i) the Company's internal risk management and control systems provide reasonable assurance that the Company's financial reporting does not contain any errors of material importance, (ii) based on the current state of affairs, it is justified that the Company's financial reporting is prepared on a going concern basis and (iii) this report states material risks and uncertainties relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of this report. The Board has no reason to believe that there are material shortcomings associated with the Company's internal risk management and control systems that would otherwise have to be disclosed in this report. Consequently, those systems have not been materially revised during the fiscal year to which this report pertains and no material improvements thereto are scheduled. The Company's internal risk management and control systems have been discussed with the audit committee and the non-executive directors.

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, 2025 and 2024, we generated cash from operations of \$240.0 million and \$134.7 million, respectively. Management monitors rolling forecasts of the Group's cash and cash equivalents on the basis of 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 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 conducts 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 the 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 medium.

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 are well aware that 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.

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, Assistant 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 Directors 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 DCGC, certain provisions of the Dutch Civil Code, 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 provisions under chapter 1)

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. The internal audit function, however, reports 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.

Remuneration (best practice provisions under chapter 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 under chapter 4)

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 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 suggested governance provision, 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 suggested corporate governance provisions, 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 intends 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 nine directors. We have two executive directors, our Chief Executive Officer and our Chief Technology Officer, and seven 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.

Mr. Abbasi chose not to stand for re-appointment to the board of directors at the Annual Meeting. Mr. Abbasi has served on our board of directors since July 2022, and we are grateful for his dedication and contributions to our company during this period. Accordingly, following the Annual Meeting, our board of directors will be composed of eight directors, consisting of two executive directors and six non-executive directors.

As of August 27, 2025, the Board was composed as follows:

Name	Age	Position	Nationality	Date of Appointment	Term expires (AGM held in)
Ashutosh Kulkarni	50	Executive Director and Chief Executive Officer ("CEO")	United States	March 2022	2025
Shay Banon	47	Executive Director, And Chief Technology Officer ("CTO")	Israel	July 2012	2027
Chetan Puttagunta (1)(3)	39	Non-executive Director Chairperson and Lead Independent Director	United States	January 2017	2027
Sohaib Abbasi (2)(4)	69	Non-executive Director and Vice Chairperson	United States	July 2022	2025
Paul Auvil (1)(2)	61	Non-executive Director	United States	October 2023	2026
Alison Gleeson (2)	60	Non-executive Director	United States	January 2020	2026
Shelley Leibowitz (1)(3)	64	Non-executive Director	United States	October 2021	2027
Caryn Marooney (3)	58	Non-executive Director	United States	April 2019	2026
Steven Schuurman	49	Non-executive Director	Netherlands	July 2012	2025

(1) Member of the Audit Committee

(2) Member of the Compensation Committee

(3) Member of the Nominating and Corporate Governance Committee

(4) Mr. Abbasi has been a non-executive director during the full fiscal year to which this report pertains. On August 22, 2025, Mr. Abbasi gave notice of his decision not to stand for re-appointment to the board of directors at the Annual Meeting.

Executive Directors



Age: 50

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 cyber security 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

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.

Qualifications

The board of directors believes that Mr. Kulkarni is qualified to serve as a member of the Board because of the perspective he brings as our CEO, our former CPO, and his experience as an executive in the technology industry.



Age: 47

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

Mr. Banon holds a B.Sc. in Computer Science from Technion, Israel Institute of Technology.

Qualifications

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: 39

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

Mr. Puttagunta holds a B.S. in Electrical Engineering from Stanford University.

Qualifications

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.



Sohaib Abbasi (Vice-Chairperson)

Background and Experience

Sohaib Abbasi has served as a member of our board of directors and as our Vice-Chairperson since July 2022. He has also served as a Senior Advisor of TPG, a global alternative asset manager, since July 2017.

Age: 69

Compensation Committee

- From July 2004 to August 2015, Mr. Abbasi served as the Chief Executive Officer of Informatica, a data integration company, where he also served as the Chair and a member of the board of directors from March 2004 to December 2015.
- Mr. Abbasi previously served in various executive roles at Oracle, a computer technology corporation, most recently as a member of Oracle's executive committee and as Senior Vice President of the Oracle Tools and Oracle Education divisions.
- From January 2018 to June 2023, Mr. Abbasi served as a member of the Executive Council of Balderton Capital, a venture capital firm.
- He currently serves on the board of directors of Udemy, an online global learning platform company. He previously served as a director of McAfee, a computer security software company, from November 2018 to March 2022, New Relic, an enterprise software company, from May 2016 to September 2019, Nutanix, a cloud computing company, from March 2020 to December 2020, and Red Hat, a provider of enterprise open-source software solutions, from March 2011 to July 2019.
- He also currently serves on the boards of directors of several private companies.

Mr. Abbasi decided not to stand for re-appointment at the Annual Meeting. As such, his term will end at conclusion of such meeting. Mr. Abbasi has served on our board of directors since July 2022, and we are grateful for his dedication and contributions to our company during this period.

Education

Mr. Abbasi holds a B.S. and an M.S. in Computer Science from the University of Illinois at Urbana-Champaign.

Qualifications

The board of directors believes that Mr. Abbasi is qualified to serve as a member of our board of directors because of his prior experience as CEO of a public technology company and his current and prior executive and directorship experience for multiple large public and private technology companies.



Age: 61

Audit Committee (Chair)

Compensation Committee

Paul Auvil

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 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.

Education

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.

Qualifications

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.



Age: 60

**Compensation Committee
(Chair)**

Alison Gleeson

Background and Experience

Alison Gleeson has served as a member of our board of directors since January 2020. She has served as Special Advisor and Operating Committee Member at Brighton Park Capital, an investment firm, since October 2019.

- From August 2021 to July 2025, Ms. Gleeson served as a sales strategic advisor to Verkada, a professional monitoring and video verification threat detection company.
- 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.

Education

Ms. Gleeson holds a B.A. in Marketing from Michigan State University.

Qualifications

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: 64

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

Ms. Leibowitz holds a B.A. in Mathematics from Williams College.

Qualifications

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: 58

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.

Education

Ms. Marooney holds a B.S. in Labor Relations from Cornell University.

Qualifications

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: 49

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

Mr. Schuurman holds a B.Sc. in Electrical Engineering from TH Rijswijk, now known as The Hague University of Applied Sciences.

Qualifications

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.

During fiscal 2025, the board of directors held four meetings, all of which were regularly scheduled meetings, which were attended by all our directors during the periods in which they served as directors, provided that one director could not attend one meeting. All committee meetings were attended by the relevant directors as well. During fiscal 2025, 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 of shareholders, we encourage our directors to attend these meetings. All of our directors attended the annual general meeting of shareholders on October 1, 2024.

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.

All non-executive directors attended meetings of the Company's board of directors held during the fiscal year to which this report pertains, provided that one director could not attend one meeting.

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 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;
- 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 the Board for the instruction (appointment) by our general meeting of an external auditor to audit the Dutch Statutory Financial Statements and board report, and the evaluation of the qualifications, independence, and performance of the independent 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 all related person transactions in accordance with our related person transactions policy;
- our overall risk profile; and
- such other matters as are specifically delegated to our Audit Committee by the Board from time to time.

During fiscal 2025, our Audit Committee held eight 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; Elastic’s annual report on Form 10-K; Elastic’s Dutch statutory board report and financial statements for the fiscal year ended April 30, 2024; 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 an annual General Meeting held on October 1, 2024 and the Audit Committee Report included therein; Elastic’s related person transactions policy and cash investment policy; Elastic’s business integrity program, whistleblower reports, litigation matters and investigations; 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; 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 Ms. Gleeson and Messrs. Abbasi and Auvil, each of whom is a non-executive member of our board of directors. Ms. Gleeson is the chair of our Compensation Committee. Because Mr. Abbasi is not standing for re-appointment, upon completion of his term at the upcoming Annual Meeting, our board of directors has appointed Ms. Marooney to serve on the Compensation Committee following the Annual Meeting. Following the Annual Meeting, our Compensation Committee will be composed of Ms. Gleeson, as chair, and Mr. Auvil and Ms. Marooney. Our board of directors has determined that each current and prospective 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) 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;
- 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; 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 2025 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, and amendments to the Company's Equity Award Grant Policy. In addition, the compensation committee approved equity grants to employees. The compensation committee also acted by unanimous written consent during fiscal 2025.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee is composed of Mr. Puttagunta and Ms. 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 Nominating and Corporate Governance Committee's 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;
- 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 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; and
- overseeing our board of directors' evaluation of executive officers.

During fiscal 2025, 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 an annual General Meeting held on October 1, 2024; Elastic's Dutch statutory board report and financial statements for the fiscal year ended April 30, 2024; and new and upcoming regulations. The nominating and corporate governance committee also acted by unanimous written consent during fiscal 2025.

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 six 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, two of six 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 2025. For details regarding the remuneration of the Board in fiscal 2025, see Consolidated Financial Statements - Notes to the Consolidated Financial Statements - *Note 29 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 of 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 executive 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.

- o *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 2025, 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 and the Company's attainment of a certain amount of total revenue in fiscal 2025. 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.
- o *Executive 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 contribution 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 2025.

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 2025.

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 2025. For employees paid other than in U.S. dollars, we converted their compensation to U.S. dollars using our anticipated exchange rate for fiscal 2025. With respect to equity awards, we determined the grant date fair value of restricted stock units awarded during fiscal 2025 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, 2025, whether employed 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 2025 compensation for this individual using the same methodology we use to calculate the fiscal 2025 amount reported for our CEO.

For fiscal 2025, the total compensation for our CEO, Mr. Kulkarni, was \$14,348,734. The fiscal 2025 annual total compensation for our median compensated employee was \$225,619. Thus, the ratio of our CEO's total fiscal 2025 compensation to our median employee's total fiscal 2025 compensation was 64:1.

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 as previously adopted by an annual general meeting of shareholders (the "Remuneration Policy").

Cash Compensation. For fiscal 2025, all non-executive directors were eligible to receive the following cash compensation for their services:

- \$35,000 per year for service as a board member;
- \$20,000 per year additionally for service as Lead Independent Director;
- \$25,000 per year additionally for service as chair of the Audit Committee;
- \$10,000 per year additionally for service as an Audit Committee member;
- \$15,525 per year additionally for service as chair of the Compensation Committee;
- \$8,000 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
- \$5,000 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 2025, 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 \$200,000 pro-rated for the amount of time that remains in the 12-month period prior to the next scheduled annual general meeting of the Company's shareholders (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 of our shareholders next following the date the Initial Award is granted, subject to continued service through the applicable vesting date.
- **Annual award.** For fiscal 2025, on the date of the general meeting of the Company's shareholders, 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 \$200,000 (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 of our shareholders 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 29 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 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 that may be considered to be anti-takeover measures:

Provisions of our articles of association and resolutions our board of directors have adopted may have the effect of making a takeover of our Company more difficult or less attractive, including as described below:

- Our board of directors has been designated (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, 2024, and (ii) authorize the board of directors 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, 2024, in each case for a period of 18 months from October 1, 2024. Our board of directors will be seeking shareholder approval to renew this designation for an additional 18 months at the annual General Meeting in 2025.
- 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 27, 2025 and signed by:

Ashutosh Kulkarni (appointed March 9, 2022)

Executive Director & Chief Executive Officer

August 27, 2025

Shay Banon (appointed July 20, 2012)

Executive Director & Chief Technology Officer

August 27, 2025

Paul Auvil (appointed October 5, 2023)

Non-executive Director

August 27, 2025

Sohaib Abbasi (appointed July 13, 2022)

Non-executive Director

August 27, 2025

Shelley Leibowitz (appointed October 1, 2021)

Non-executive Director

August 27, 2025

Alison Gleeson (appointed January 10, 2020)

Non-executive Director

August 27, 2025

Caryn Marooney (appointed April 25, 2019)

Non-executive Director

August 27, 2025

Chetan Puttagunta (appointed January 10, 2017)

Non-executive Director

August 27, 2025

Steven Schuurman (appointed July 20, 2012)

Non-executive Director

August 27, 2025

Elastic N.V.

Keizersgracht 281, 1016 ED, Amsterdam.

The Netherlands

CONSOLIDATED FINANCIAL STATEMENTS

Index to Financial Statements**Consolidated Financial Statements**[84-123](#)

Statements of Financial Position

Statements of Comprehensive (Loss) Income

Statements of Changes in Equity

Statements of Cash Flows

Notes to the Consolidated Financial Statements

Company Financial Statements[124-133](#)

Balance Sheet

Profit and Loss Accounts

Notes to the Company Financial Statements

Elastic N.V.
Consolidated Statements of Financial Position
April 30, 2025 and 2024

(in thousands U.S. dollars)

		As of April 30,	
		2025	2024
	Notes		
Assets			
Non-current assets			
Property and equipment	5	\$ 6,589	\$ 5,453
Right-of-use assets	6	22,904	20,727
Intangible assets	23	335,492	345,846
Deferred contract acquisition costs	3	117,762	114,509
Deferred tax assets	19	199,722	265,641
Prepayments	10	12,725	543
Deposits		1,803	2,171
Total non-current assets		696,997	754,890
Current assets			
Deferred contract acquisition costs	3	86,205	78,030
Prepayments	10	50,382	29,094
Trade and other receivables	7	393,489	336,682
Marketable securities	8	669,717	544,002
Restricted cash		3,671	2,692
Cash and cash equivalents	9	727,543	540,397
Total current assets		1,931,007	1,530,897
Total assets		\$ 2,628,004	\$ 2,285,787
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital		\$ 1,113	\$ 1,071
Share premium		947,823	906,889
Translation reserves		(25,401)	(19,840)
Other reserves		1,271,146	1,003,347
Accumulated losses		(1,271,359)	(1,146,852)
Total shareholders' equity	11	923,322	744,615
Liabilities			
Non-current liabilities			
Borrowings	12	569,729	568,612
Trade and other payables	14	8,187	8,791
Deferred income	13	50,340	30,293
Lease liabilities	6	16,357	12,898
Deferred tax liabilities	19	42,203	41,267
Total non-current liabilities		686,816	661,861
Current liabilities			
Trade and other payables	14	191,463	188,427
Deferred income	13	802,117	663,846
Current tax liabilities	19	15,358	14,850
Lease liabilities	6	8,928	12,188
Total current liabilities		1,017,866	879,311
Total liabilities		1,704,682	1,541,172
Total shareholders' equity and liabilities		\$ 2,628,004	\$ 2,285,787

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

Elastic N.V.

Consolidated Statements of Comprehensive (Loss) Income Years Ended April 30, 2025 and 2024

(in thousands U.S. dollars, except share and per share data)

		Year Ended April 30,	
		2025	2024
	Notes		
Revenue			
Subscription		\$ 1,384,520	\$ 1,176,606
Services		98,776	90,715
Total revenue	15	1,483,296	1,267,321
Cost of revenue			
Subscription		282,959	245,864
Services		98,525	86,612
Total cost of revenue	28	381,484	332,476
Gross profit		1,101,812	934,845
Research and development		361,610	342,907
Sales and marketing		619,966	561,362
General and administrative		181,971	172,634
Restructuring and other related charges		225	4,917
Other income	17	(3,673)	(3,979)
Total operating costs	28	1,160,099	1,077,841
Operating loss		(58,287)	(142,996)
Finance costs	18	29,412	33,671
Finance income	18	(51,823)	(38,390)
Loss before income tax		(35,876)	(138,277)
Income tax (expense) benefit	19	(88,631)	197,455
(Loss) income for the year		\$ (124,507)	\$ 59,178
Net (loss) earnings per share attributable to ordinary shareholders	24		
Basic		\$ (1.20)	\$ 0.59
Diluted		\$ (1.20)	\$ 0.56
Other comprehensive (loss) income			
(Loss) income for the year		\$ (124,507)	\$ 59,178
Items that may be subsequently reclassified to profit and loss			
Unrealized gain (loss) on marketable securities		3,995	(1,728)
Foreign currency translation differences for foreign operations		(5,561)	105
Total comprehensive (loss) income for the year, net of tax		\$ (126,073)	\$ 57,555

The (loss) income 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, 2025 and 2024
(in thousands U.S. dollars)

	Share capital	Share premium	Translation reserve	Other reserve	Accumulated losses	Total equity
Balances at April 30, 2023	\$ 1,025	\$ 866,853	\$ (19,945)	\$ 755,841	\$ (1,206,030)	\$ 397,744
Total comprehensive income/(loss) for the year:						
Income for the year	—	—	—	—	59,178	59,178
Other comprehensive loss:						
Unrealized loss on marketable securities	—	—	—	(1,728)	—	(1,728)
Foreign currency translation differences	—	—	105	—	—	105
Total comprehensive income/(loss) for the period	—	—	105	(1,728)	59,178	57,555
Contributions by owners						
Issuance of ordinary shares upon exercise of stock options	14	20,905	—	—	—	20,919
Issuance of ordinary shares upon release of restricted stock units	28	—	—	(28)	—	—
Issuance of ordinary shares under employee stock purchase plan	4	19,131	—	—	—	19,135
Stock compensation expense	—	—	—	249,262	—	249,262
Balances at April 30, 2024	\$ 1,071	\$ 906,889	\$ (19,840)	\$ 1,003,347	\$ (1,146,852)	\$ 744,615
Total comprehensive income for the year:						
Loss for the year	—	—	—	—	(124,507)	(124,507)
Other comprehensive income/(loss):						
Unrealized loss 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	\$ (25,401)	\$ 1,271,146	\$ (1,271,359)	\$ 923,322

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

Elastic N.V.
Consolidated Statements of Cash Flows
Years Ended April 30, 2025 and 2024
(in thousands U.S. dollars)

		Year Ended April 30,	
		2025	2024
	Notes		
Cash flows from operating activities			
(Loss) income for the year		\$ (124,507)	\$ 59,178
Adjustment for			
Depreciation	5	3,104	3,502
Amortization of intangibles	23	10,388	15,674
Amortization of premium and accretion of discount on marketable securities, net		(7,186)	(8,808)
Amortization of right-of-use assets	6	10,719	10,941
Amortization of debt issuance costs		1,117	1,069
Share-based compensation	16,28	263,833	249,262
Amortization of deferred contract acquisition costs	3	96,688	78,549
Change in income tax liability		22,502	27,399
Deferred tax		66,787	(227,020)
Foreign currency transaction loss (gain)		2,211	1,930
Other		376	2,057
Changes in operating assets and liabilities, net of impact of business acquisitions:			
Change in trade and other receivables		(53,060)	(67,215)
Change in deposits		368	1,216
Change in prepayments		(72,787)	(27,741)
Change in deferred contract acquisitions costs		(106,691)	(119,834)
Change in trade and other payables		25,220	49,215
Change in deferred income		147,112	134,595
Cash provided by operating activities		286,194	183,969
Cash paid for income taxes		(21,994)	(24,219)
Cash paid for interest		(24,191)	(25,063)
Net cash provided by operating activities		240,009	134,687
Cash flows from investing activities			
Business acquisitions, net of cash acquired	22	—	(19,100)
Acquisition of property and equipment	5	(4,345)	(3,450)
Acquisition of marketable securities		(549,574)	(536,833)
Sales, maturities, and redemptions of marketable securities		435,251	271,423
Restricted cash		(979)	(219)
Interest received		39,286	28,075
Net cash used in investing activities		(80,361)	(260,104)
Cash flows from financing activities			
Proceeds from exercise of stock options		17,854	20,919
Proceeds from issuance of ordinary shares under employee stock purchase plan		23,093	19,135
Payment of lease liabilities	6	(13,127)	(14,000)
Net cash provided by financing activities		27,820	26,054
Net decrease in cash and cash equivalents		187,468	(99,363)
Cash and cash equivalents at beginning of year		540,397	644,167
Effect of exchange (loss) gain on cash held		(322)	(4,407)
Cash and cash equivalents at end of year		\$ 727,543	\$ 540,397
Supplemental disclosures of non-cash investing and financing information			
Changes in property and equipment included in accounts payable		\$ 305	\$ 398
Acquisition-related indemnity holdback		\$ —	\$ 3,000

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

Elastic N.V.

Notes to Consolidated Financial Statements

April 30, 2025 and 2024

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

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, 2025 and 2024 and for the years ended April 30, 2025 and 2024 comprise the Company and its subsidiaries (together referred to as the "Group" or "Elastic" and individually as "Group entities"). The Group created Elastic's Search AI 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 Group's platform to apply the power of search to their data and solve business problems. The Group offers three software solutions built into its platform: Elasticsearch, Elastic Observability, and Elastic Security. The Group'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 27, 2025.

Going Concern

The Group incurred a net loss of \$124.5 million and generated a net income of \$59.2 million for the years ended April 30, 2025 and 2024, 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, except for our marketable securities, which have been measured at fair value, and our lease liabilities, which are measured at present value.

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 stock-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 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 16 – Share-based payment

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

Note 3 and 19 – Deferred tax and utilization of tax losses

Note 3 and 15 – Revenue recognition

Note 3 – Deferred contract acquisition costs

Note 3 and 22 – 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 15 - 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, 2024:

The following amendments and interpretations endorsed by EU were adopted during the year ended April 30, 2025:

- Amendments to IAS 1 ("IAS 1") Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with covenants

The amendments to IAS 1 did not have a 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

There are no other IFRSs or International Financials 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.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

All consolidated companies prepared their accounts during the years ended April 30, 2025 and 2024 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 income statement, except when deferred in other comprehensive 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 income statement 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 loss in the Translation Reserve.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

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 sales 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 or services. Our 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, credit, reputation and financial or other information pertaining to the customer. 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 Company's self-managed subscriptions include both 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.

Services-related performance obligations 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 we expect to be entitled to in exchange for the subscriptions and services in a contract. Variable consideration is included in the transaction price if, in our judgment, it is highly probable that a significant future reversal of cumulative revenue under the contract will not occur. None of our contracts contain a significant financing component.

iv) *allocation of the transaction price to the performance obligations; 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 these fall within a pricing range. In instances where SSP is not directly observable, such as when we do not sell the software license separately, we derive the SSP using information that may include market conditions and other observable and unobservable inputs which can require significant judgment. There is typically more than one SSP for individual products and services due to the stratification of those products and services by quantity, term of the subscription, 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 if 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 a relative SSP.

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 customers utilize 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.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

Services comprise consulting services as well as public and private training. Consulting services are generally time-based arrangements. Revenue from professional 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,	
	2025	2024
Unbilled accounts receivable, included in Trade and other receivables	\$ 2,475	\$ 2,472
Deferred contract acquisition costs	\$ 203,967	\$ 192,539
Deferred income	\$ 852,457	\$ 694,139

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 professional services are typically amortized in accordance with the associated revenue as the commissions paid on new and renewal professional services are commensurate with each other. Amortization of deferred contract acquisition costs is recognized in sales and marketing expense in the consolidated statement of comprehensive (loss) income.

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, 2025 and 2024.

Amortization expense with respect to deferred contract acquisition costs was \$96.7 million and \$78.5 million for the years ended April 30, 2025 and 2024, respectively.

Elastic N.V.

Notes to Consolidated Financial Statements

April 30, 2025 and 2024

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

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 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 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 loss. Movements in the carrying amount are taken through other comprehensive 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 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.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

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, 2025.

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.

Elastic N.V.

Notes to Consolidated Financial Statements

April 30, 2025 and 2024

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

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 judgements 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 stock-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.

Trademarks and Customer Related Intangible Assets

Separately acquired trademarks and customer related intangible assets are shown at historical cost. Trademarks and customer-related intangible assets acquired in a business combination are recognized at fair value at the acquisition date. Trademarks, 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, 2025 and April 30, 2024.

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, 2025 or 2024, 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.

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

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

	Year Ended April 30,	
	2025	2024
Beginning balance	\$ 4,979	\$ 3,409
Increase in loss allowance recognized in profit and loss during the year	3,909	3,864
Receivables written off during the year as uncollectible	(3,378)	(2,294)
Ending balance	\$ 5,510	\$ 4,979

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 \$19.6 million and \$18.4 million of expense related to the 401(k) Plan during the years ended April 30, 2025 and 2024, respectively.

The Group also has defined-contribution and other employee benefit plans in certain other countries for which the Group recorded \$14.6 million and \$12.7 million of expense during the years ended April 30, 2025 and 2024, 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. The benefits given to the employees regarding the grant of the stock awards consists of an additional compensation to these employees estimated at the grant date by reference to the fair value of the equity instruments granted.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

Compensation expense related to stock awards issued to employees, including stock options and restricted stock units ("RSUs") and non-market based performance share units ("PSUs") 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 ("2022 ESPP") is estimated on the date of the grant using the Black-Scholes option-pricing model. The fair value of RSUs and PSUs is estimated on the date of the grant based on the fair value of the Company's underlying ordinary shares.

Compensation expense for stock options and RSUs 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 is recognized over the six-month offering period in the case of the 2022 ESPP. Compensation expense relating to PSUs 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 the stock awards are 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.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

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 loss, in which case the tax is also recognized in equity or other comprehensive 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 judgement 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 judgement 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.

Elastic N.V.

Notes to Consolidated Financial Statements

April 30, 2025 and 2024

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

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 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,

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

restricted cash and marketable securities of \$1.401 billion as of April 30, 2025. 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 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

No customer accounted for 10% or more of net accounts receivable as of April 30, 2025. One customer, a channel partner, accounted for 13% of net accounts receivable as of April 30, 2024. The same customer accounted for 12% and 11% of total revenue during the years ended April 30, 2025 and 2024, respectively.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

(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,	
	2025	2024
United States	\$ 237,454	\$ 206,748
Europe	122,123	94,748
Other	13,561	19,042
Total	\$ 373,138	\$ 320,538

See *Note 15 – 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, 2025 and 2024 was determined for accounts receivables:

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

April 30, 2024	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate (%)	0.62 %	1.97 %	7.79 %	32.20 %	1.55%
Gross carrying amount-Trade receivables	\$ 301,919	\$ 5,547	\$ 5,278	\$ 8,030	\$ 320,774
Loss allowance	\$ 1,873	\$ 109	\$ 411	\$ 2,586	\$ 4,979

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	\$ 191,463	\$ 8,187	\$ —	\$ 199,650	\$ 199,650
Senior Notes	—	575,000	—	575,000	569,729
Lease liabilities	10,151	12,758	7,007	29,916	25,285
Total	\$ 201,614	\$ 595,945	\$ 7,007	\$ 804,566	\$ 794,664

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.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

(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 \$2.5 million and \$3.4 million for the years ended April 30, 2025 and 2024, respectively.

As of April 30, 2025, 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 \$9.2 million on the Group's cash, cash equivalents, restricted cash and marketable securities balances.

5. Property and Equipment

	Leasehold Improvements	Computer Equipment	Furniture and Fixtures	Construction in Progress	Total
Cost					
Balance at April 30, 2023	\$ 10,081	\$ 2,219	\$ 6,093	\$ 1,733	\$ 20,126
Additions	—	—	—	3,994	3,994
Disposals and write-offs	(40)	(61)	—	—	(101)
Transfers	2,648	1,336	1,307	(5,291)	—
Effect of movement in exchange rates	(6)	(30)	(4)	(9)	(49)
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
Depreciation					
Balance at April 30, 2023	\$ 8,634	\$ 1,279	\$ 5,121	\$ —	\$ 15,034
Charge for year	1,776	825	901	—	3,502
Disposals and write-offs	(6)	(5)	—	—	(11)
Effect of movement in exchange rates	(2)	(2)	(4)	—	(8)
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
Carrying amounts					
At April 30, 2024	\$ 2,281	\$ 1,367	\$ 1,378	\$ 427	\$ 5,453
At April 30, 2025	\$ 3,920	\$ 1,367	\$ 1,269	\$ 33	\$ 6,589

Depreciation expense related to property and equipment was \$3.1 million and \$3.5 million for the years ended April 30, 2025 and 2024, 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:

	Right-of-use Assets	Lease Liabilities
April 30, 2024	\$ 20,727	\$ 25,086
Additions	11,919	11,723
Amortization	(10,719)	—
Payments	—	(13,127)
Interest expense	—	1,091
Effect of movement in exchange rates	977	512
April 30, 2025	\$ 22,904	\$ 25,285

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

	As of April 30,	
	2025	2024
Right-of-use assets		
Office space	\$ 22,904	\$ 20,727
Lease liabilities		
Current	\$ 8,928	\$ 12,188
Non-current	16,357	12,898
Total lease liabilities	\$ 25,285	\$ 25,086

The weighted-average IBR applied to lease liabilities recognized in the consolidated statement of financial position was 5.5% as of April 30, 2025.

Future minimum lease payments under non-cancelable office leases as of April 30, 2025 and as of April 30, 2024 were as follows:

	2025	2024
Less than one year	\$ 8,928	\$ 12,188
Between one and five years	10,395	12,898
More than five years	5,962	—
Total	\$ 25,285	\$ 25,086

Amounts recognized in the income statement are as follows:

	Year Ended April 30,	
	2025	2024
Depreciation of right-of-use assets	\$ 10,719	\$ 10,941
Interest expense on lease liabilities (included in finance costs)	1,091	1,711
Expense relating to short-term leases (included in general and administrative expenses)	2,232	1,921
Expense relating to variable lease payments not included in lease liabilities (included in general and administrative expenses)	1,456	1,342
Total amount recognized in the income statement	\$ 15,498	\$ 15,915

7. Trade and Other Receivables

	As of April 30,	
	2025	2024
Trade receivables	\$ 373,138	\$ 320,538
Unbilled receivables	2,475	2,472
VAT receivable	14,620	8,562
Deposits	2,645	2,609
Other	611	2,501
Total Trade and other receivables	\$ 393,489	\$ 336,682
Current	393,489	\$ 336,682
Non-current	—	—
Total Trade and other receivables	\$ 393,489	\$ 336,682

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

8. Fair Value Measurements

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 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

(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, 2024 (in thousands):

	Level 1	Level 2	Level 3	Total
Financial Assets:				
Cash equivalents:				
Money market funds	\$ 180,248	\$ —	\$ —	\$ 180,248
U.S. treasury securities	35,407	—	—	35,407
Corporate debt securities	—	699	—	699
Total included in cash and cash equivalents	215,655	699	—	216,354
Marketable securities:				
Certificates of deposit	—	42,972	—	42,972
Commercial paper	—	43,051	—	43,051
Municipal securities	—	27,806	—	27,806
U.S. treasury securities	112,471	—	—	112,471
International treasuries	—	12,642	—	12,642
Corporate debt securities	—	269,168	—	269,168
U.S. agency bonds	—	35,892	—	35,892
Total marketable securities	112,471	431,531	—	544,002
Mutual fund investments	461	—	—	461
Total financial assets	\$ 328,587	\$ 432,230	\$ —	\$ 760,817

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

9. 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 Company's cash equivalents approximates fair value, due to the short maturities of these instruments.

	As of April 30,	
	2025	2024
Cash at bank	\$ 400,580	\$ 324,043
Money market funds	197,710	180,248
U.S. treasury securities	90,642	35,407
Corporate debt securities	3,128	699
U.S. agency securities	20,001	—
Certificates of deposit	6,020	—
Commercial paper	9,462	—
Net carrying amount	<u>\$ 727,543</u>	<u>\$ 540,397</u>

10. Prepayments

	As of April 30,	
	2025	2024
Prepaid hosting costs	\$ 17,806	\$ 1,249
Prepaid software subscriptions	9,216	9,916
Prepaid taxes	10,254	4,489
Insurance	2,757	3,149
Other	23,074	10,834
Total Prepayments	<u>\$ 63,107</u>	<u>\$ 29,637</u>
Current	\$ 50,382	\$ 29,094
Non-current	12,725	543
Total Prepayments	<u>\$ 63,107</u>	<u>\$ 29,637</u>

11. Capital and Reserves

	Ordinary Shares
Balances at April 30, 2023	\$ 97,366,947
Ordinary shares issued upon exercise of stock options	1,292,375
Ordinary shares issued upon release of restricted stock options	2,701,448
Ordinary shares issued under employee stock purchase plan	345,165
Balances at April 30, 2024	\$ 101,705,935
Ordinary shares issued upon exercise of stock options	791,874
Ordinary shares issued upon release of restricted stock options	2,672,842
Ordinary shares issued under employee stock purchase plan	364,236
Balances at April 30, 2025	\$ 105,534,887

Ordinary Shares and Preference Shares

At April 30, 2025 there were 165,000,000 ordinary shares authorized in the Capital of the Company par value €0.01 per share; 105,534,887 ordinary shares were issued and outstanding as of April 30, 2025 and 101,705,935 ordinary shares were issued and outstanding as of April 30, 2024.

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, 2025.

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, 2024. This authorization is valid for a period of 18 months from October 1, 2024, the date of such general meeting of shareholders, until April 1, 2026.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

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, 2025, 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.

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 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.

12. 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. Total debt issuance costs of \$9.3 million are being amortized to interest expense using the effective interest method over the term of the Senior Notes. The Company may 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,	
	2025	2024
Principal	\$ 575,000	\$ 575,000
Unamortized debt issuance costs	(5,271)	(6,388)
Net carrying amount	\$ 569,729	\$ 568,612

The following table sets forth the interest expense recognized related to the Senior Notes (in thousands):

	Year Ended April 30,	
	2025	2024
Contractual interest expense	23,719	23,719
Amortization of debt issuance costs	1,117	1,069
Total interest expense related to the Senior Notes	\$ 24,836	\$ 24,788

13. Deferred Income

The Company recognized revenue of \$660.9 million and \$522.8 million during the years ended April 30, 2025 and 2024, respectively, that was included in the deferred income balance at the beginning of each of the respective periods

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

	As of April 30,	
	2025	2024
Current	\$ 802,117	\$ 663,846
Non- current	50,340	30,293
Total Deferred income	\$ 852,457	\$ 694,139

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, 2025, the Company had \$1.545 billion of RPO, of which the Company expects to recognize approximately 65% as revenue over the next twelve months, approximately 90% over the next twenty-four months, and the remainder thereafter.

14. Trade and Other Payables

	As of April 30,	
	2025	2024
Trade payables	\$ 17,155	\$ 26,080
Payroll and social charges liabilities	103,458	102,554
Other taxes payable	15,781	10,676
Accrued expenses	31,922	29,966
Other liabilities	31,334	27,942
Total Trade and other payables	\$ 199,650	\$ 197,218
Current	\$ 191,463	\$ 188,427
Non-current	8,187	8,791
Total Trade and other payables	\$ 199,650	\$ 197,218

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

15. Revenue

The following table summarizes the Group's subscription and services revenue. Total subscription revenue consists of Elastic Cloud revenue, which primarily relates to our SaaS offerings and royalties from Cloud Service Providers and Other subscription revenue, which relates to self-managed subscriptions. Revenue from SaaS offerings is recognized ratably over the subscription term or on a usage basis for consumption-based arrangements. Revenue from self-managed subscriptions and royalties from Cloud Service Providers 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,	
	2025	2024
Elastic Cloud	\$ 687,619	\$ 547,520
Other subscription	696,901	629,086
Total subscription	\$ 1,384,520	\$ 1,176,606
Services	98,776	90,715
Total revenue	\$ 1,483,296	\$ 1,267,321

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,	
	2025	2024
Netherlands	\$ 47,103	\$ 42,803
United States	836,226	730,488
Rest of the world	599,967	494,030
Total revenue	\$ 1,483,296	\$ 1,267,321

16. 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 2022 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 364,236 and 345,165 ordinary shares under the 2022 ESPP during the years ended April 30, 2025 and 2024, respectively. Stock-based compensation expense recognized related to the 2022 ESPP was \$9.2 million and \$7.1 million for the years ended April 30, 2025 and 2024.

The fair value of the 2022 ESPP offerings was estimated on the offering date using the Black-Scholes option pricing model with the following assumptions:

	Year Ended April 30,	
	2025	2024
Expected term (in years)	0.5	0.5
Expected stock price volatility	50.4% - 59.2%	47.3% - 63.3%
Risk-free interest rate	4.3% - 4.6%	5.4% - 5.5%
Dividend yield	—%	—%

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

2012 Share Option Program (Equity-Settled)

In September 2012, the Company's board of directors adopted and the Company's shareholders approved the 2012 Stock Option Plan, which was amended and restated in September 2018 and further amended in December 2021 (as amended and restated, the "2012 Plan"). Under the 2012 Plan, the board of directors, the compensation committee, as administrator of the 2012 Plan, and any other duly authorized committee may grant stock options and other equity-based awards, such as RSUs (which include PSUs) 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. Stock options and RSUs that are canceled under certain conditions become available for future grant or sale under the 2012 Plan unless the 2012 Plan is terminated.

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, 2023	4,038,238	\$ 32.74	5.35	\$ 134,778
Stock options exercised	(1,292,375)	\$ 16.19		
Stock options canceled	(104,137)	\$ 98.35		
Stock options assumed in acquisition canceled	(1,303)	\$ 76.12		
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
Exercisable as of April 30, 2025	1,692,783	\$ 39.97	3.74	\$ 88,120

No stock options were granted during the years ended April 30, 2025 and 2024.

Information with respect to stock options outstanding and exercisable under a range of exercise prices is as follows:

As of April 30, 2025	As of April 30, 2025	
Range of Exercise Prices	Options Outstanding	Options Exercisable
\$4.48 - \$10.15	199,053	199,007
\$10.16 - \$11.46	101,554	101,554
\$11.47 - \$18.61	680,373	680,373
\$18.62 - \$27.50	198,083	198,083
\$27.51 - \$75.85	264,483	229,479
\$75.85 - \$166.43	332,177	284,287
	1,775,723	1,692,783

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, 2025 and 2024:

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

	Number of Awards	Weighted-Average Grant Date Fair Value
Outstanding and unvested at April 30, 2023	7,494,399	\$ 74.52
RSUs granted	3,399,494	\$ 102.23
RSUs released	(2,701,448)	\$ 80.51
RSUs canceled	(1,115,609)	\$ 75.60
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

Impact on the Financial Statements

Compensation cost for stock-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, 2025 and 2024, the Group recorded share-based compensation expense related to issuance of stock options of \$1.4 million and \$4.4 million, respectively. As of April 30, 2025, the Company had unrecognized share-based compensation expense of \$0.4 million related to unvested stock options that the Company expects to recognize over a weighted average period of 0.46 years.

Share-based compensation expense related to RSUs for the years ended April 30, 2025 and 2024 was \$253.2 million and \$237.8 million, respectively. As of April 30, 2025, the Company had unrecognized share-based compensation expense of \$299.0 million related to equity settled RSUs that the Company expects to recognize over a weighted-average period of 1.34 years.

Total share-based compensation expense recognized in the consolidated statements of comprehensive (loss) income was as follows:

	Year Ended April 30,	
	2025	2024
Subscription	\$ 9,895	\$ 8,132
Services	15,985	15,043
Total cost of revenue	25,880	23,175
Research and development	93,911	91,572
Sales and marketing	88,860	77,654
General and administrative	55,182	56,861
Total operating costs	237,953	226,087
Total share-based compensation expense	\$ 263,833	\$ 249,262

17. Other Income

	Year Ended April 30,	
	2025	2024
Proceeds from user conferences	\$ 921	\$ 830
Sublease income	2,687	2,783
Proceeds from legal settlement	—	350
Other	65	16
Total other income	\$ 3,673	\$ 3,979

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.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

18. Finance Income and Costs

	Year Ended April 30,	
	2025	2024
Interest income on marketable securities and bank deposits	\$ (39,286)	\$ (28,075)
Amortization of premium and accretion of discount on marketable securities, net	(7,186)	(8,808)
Miscellaneous other	(5,351)	(1,507)
Total finance income	<u>\$ (51,823)</u>	<u>\$ (38,390)</u>
Interest expense – Senior notes	\$ 24,836	\$ 24,788
Interest expense – other	1,348	3,406
Net foreign exchange loss	2,495	3,415
Miscellaneous other	733	2,062
Total finance costs	<u>\$ 29,412</u>	<u>\$ 33,671</u>

19. Income Tax (Expense) Benefit

The Company's effective tax rate substantially differed from the Dutch statutory tax rate of 25.8% primarily due to the deferred tax assets that were not recognized and waiver of certain deductions subject to the US BEAT. A reconciliation of income taxes at the statutory income tax rate to the income tax (expense) benefit recognized in profit or loss is as follows:

	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 %
Shared 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 other	(124)	0.4 %
Effective taxation rate	<u>\$ 88,631</u>	<u>(247.0)%</u>

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

	Year Ended April 30, 2024	
Expected tax recovery on net loss before income tax	\$ (35,777)	25.9 %
Difference in tax rates between foreign jurisdictions and the Netherlands	(3,767)	2.7 %
Tax credits	(10,149)	7.3 %
Share-based compensation	(17,392)	12.6 %
Deferred tax assets not recognized	(182,012)	131.6 %
Intellectual property ("IP") Migration	7,353	(5.3)%
US BEAT waiver election	40,141	(29.0)%
Foreign-Derived Intangible Income ("FDII") exclusion	(2,328)	1.7 %
Executive compensation	4,091	(3.0)%
Foreign withholding taxes	2,864	(2.1)%
Miscellaneous other	(479)	0.4 %
Effective taxation rate	<u>\$ (197,455)</u>	<u>142.8 %</u>

As of April 30, 2025, the Company has a tax loss carry forward ("TLCF") of approximately \$1.407 billion (April 30, 2024 – approximately \$1.237 billion) related to the Dutch fiscal unity, approximately \$1.098 billion (April 30, 2024 - \$1.449 billion) related the US (federal and states), and approximately \$97.9 million (April 30, 2024 – approximately \$78.2 million) related to the United Kingdom.

TLCF can be utilized against future taxable profits of the Company. Deferred tax assets for TLCFs in the Netherlands and the United Kingdom have not been recognized under IAS 12 due to insufficient evidence of future taxable profits. TLCFs have an indefinite life in the Netherlands and the United Kingdom, while those in the US have expiry dates starting in 2026.

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 more likely than not that some portion or all of 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 judgements about future taxable income based on assumptions that are consistent with the Group's plans and estimates. Based on current management estimates substantially all of the deferred tax assets and liabilities are expected to be realized or settled after more than twelve months.

Significant components of the Group's deferred tax assets are summarized as follows (in thousands):

	As of April 30,	
	2025	2024
Deferred tax assets:		
Accrued compensation	\$ 6,796	5,824
Intangible assets	42	—
TLCF	127,791	190,812
Deferred Income	7,478	8,057
Share based compensation	19,528	29,482
Credits	23,775	21,547
Lease liability	4,041	3,444
Other	10,271	6,475
Total deferred tax assets	<u>\$ 199,722</u>	<u>\$ 265,641</u>
Deferred tax liabilities:		
Deferred contract acquisition costs	\$ (38,629)	\$ (37,005)
Intangible	—	(1,831)
Right-of-use assets	(3,574)	(2,431)
Total deferred tax liabilities	<u>\$ (42,203)</u>	<u>\$ (41,267)</u>
Net deferred tax assets (liabilities)	<u>\$ 157,519</u>	<u>\$ 224,374</u>

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.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

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, 2025. 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.

20. Average Number of People Employed

	Average		As of April 30,	
	2025	2024	2025	2024
Number of employees	3,362	3,037	3,537	3,187
Number of employees in Netherlands	138	140	136	140
Number of employees in other countries	3,224	2,897	3,401	3,047

21. 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.

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, 2025 and 2024 were as follows:

	2025	2024
Less than one year	\$ 219,170	\$ 164,457
Between one and five years	593,142	260,095
More than five years	—	—
Total	\$ 812,312	\$ 424,552

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 related to general corporate services, subscription software, and sales and marketing contracts. As of April 30, 2025, the Group had purchase commitments of \$73.2 million related to these contracts, primarily due within the next twelve months.

Letters of Credit

As of April 30, 2025, the Group had \$2.9 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.

22. Business Combinations

Opster Ltd.

On November 30, 2023, the Company acquired 100% of the share capital of Opster Ltd. ("Opster") for a total purchase consideration of \$23.0 million. The purchase consideration includes \$3.0 million held back by the Company for indemnity obligations which will be released upon the 18-month anniversary of the acquisition.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

The acquisition was accounted for as a business combination in accordance with IFRS 3 – Business Combinations ("IFRS 3") 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 \$6.0 million and \$15.9 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 efficiency and management of Elastic's Search AI Platform and is not deductible for income tax purposes.

The financial results of Opster have been included in the Company's consolidated statements of comprehensive (loss) income since the acquisition date. Pro forma financial information for this acquisition have not been presented as they were not material.

23. Intangible Assets

	Goodwill	Developed Technology	Customer Relationships	Trade Name	Internal-use Software	Total
Non-current assets						
Cost:						
Balance as at April 30, 2023	\$ 307,002	\$ 70,130	\$ 19,598	\$ 2,872	\$ 5,447	\$ 405,049
Acquisition	15,854	6,000	\$ —	\$ —	\$ —	21,854
Balance as at April 30, 2024	\$ 322,856	\$ 76,130	\$ 19,598	\$ 2,872	\$ 5,447	\$ 426,903
Balance as at April 30, 2025	\$ 322,856	\$ 76,130	\$ 19,598	\$ 2,872	\$ 5,447	\$ 426,903
Accumulated amortization:						
Balances at April 30, 2023	\$ —	\$ 43,136	\$ 17,641	\$ 2,686	\$ 1,327	\$ 64,790
Amortization	—	12,353	1,957	186	1,178	15,674
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
Foreign currency translation:						
Balances at April 30, 2024	\$ (572)	\$ (21)	\$ —	\$ —	\$ —	\$ (593)
Balances at April 30, 2025	\$ (535)	\$ —	\$ —	\$ —	\$ (24)	\$ (559)
Carrying amounts:						
At April 20, 2024	\$ 322,284	\$ 20,620	\$ —	\$ —	\$ 2,942	\$ 345,846
At April 20, 2025	\$ 322,321	\$ 11,428	\$ —	\$ —	\$ 1,743	\$ 335,492

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, 2025, the recoverable amount of the CGU exceeded its carrying value and therefore no impairment was recorded in fiscal 2025. The fair value of the CGU, based on quoted market prices at the end of the reporting period, was \$9.1 billion. The quoted market price used for the impairment test held by the Group was the current bid price of \$86.20 as of April 30, 2025.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

24. 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.

	Year Ended April 30,	
	2025	2024
Numerator		
Net (loss) income	\$ (124,507)	\$ 59,178
Denominator		
Weighted-average shares used to compute net (loss) earnings per share attributable to ordinary shareholders		
Basic	103,661,704	99,646,231
Diluted	103,661,704	105,649,718
Net (loss) earnings per share attributable to ordinary shareholders		
Basic	\$ (1.20)	\$ 0.59
Diluted	\$ (1.20)	\$ 0.56

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,	
	2025	2024
Stock options	1,775,723	345,565
RSUs	6,523,077	868,287
Employee stock purchase plan	147,488	4,010
Total	8,446,288	1,217,862

25. 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, 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
Year ended April 30, 2024			
Audit of the financial statements	\$ 100	\$ 4,307	\$ 4,407
Other non-audit services	—	6	6
Total	\$ 100	\$ 4,313	\$ 4,413

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 2025 and fiscal 2024 financial statements, regardless of whether the work was performed during the financial year.

Tax services relate to tax planning services.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

Other non-audit services relate to subscription fees paid for access to online accounting research software and regulatory applications.

26. Capital Commitments

During the years ended April 30, 2025 and 2024 the Group did not make any capital commitments.

27. Contingencies

Legal Matters

From time to time, the Group has become involved in claims and other legal matters arising in the ordinary course of business. The Group investigates these claims as they arise. Although claims are inherently unpredictable, the Group is not currently aware of any matters that, if determined adversely to the Group, 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 Group filed a complaint in the United States District Court for the Eastern District of New York against the Group and one of its executive officers, Ashutosh Kulkarni, as well as a former executive officer of the Group, Janesh Moorjani, on behalf of a putative class of shareholders of the Group who purchased or otherwise acquired the Group'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 Group'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 Group'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 co-lead plaintiffs in this matter. On August 1, 2025, plaintiffs filed an amended complaint, citing the same core theories and claims but extending the class period to cover June 2, 2023 to August 29, 2024. The Group intends to defend this case vigorously. At this early state of the proceedings, the Group can neither predict the ultimate outcome of the litigation nor estimate any range of possible losses.

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

Indemnification

The Group 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 Group 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 Group's activities. The maximum potential amount of future payments the Group could be required to make under these agreements is not determinable. The Group to date has not incurred costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, the Group believes the fair value of these agreements is not material. The Group maintains commercial general liability insurance and product liability insurance to offset certain of the Group's potential liabilities under these indemnification provisions.

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

Gain Contingencies

From time to time the Group may realize a gain contingency, although recognition will not occur until cash is received or the gain is deemed as realizable. In connection with a favorable settlement of a legal claim, the Group recognized a gain of \$0.4 million included in other income in the accompanying consolidated statements of comprehensive (loss) income for the year ended April 30, 2024.

Statement of Liability

Elastic N.V. has declared in writing that it accepts joint and several liability for contractual debts of certain Dutch consolidated companies (Article 403 of Book 2 of the Dutch Civil Code). This relates to the following Dutch companies: Elastic International B.V., Elastic Worldwide B.V. and elasticsearch B.V.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

28. Expenses by Nature

By nature the costs can be analyzed as follows:

	Year Ended April 30,	
	2025	2024
Employee benefits expense	\$ 802,555	\$ 727,469
Share-based compensation	263,833	249,262
Hosting and other software expenses	277,032	229,464
Travel expenses	33,834	38,531
Marketing expenses	57,123	54,534
Depreciation and amortization	13,492	19,176
Legal and professional	18,074	18,053
Office rent and related charges	14,133	13,953
Miscellaneous other expense	64,955	58,936
Restructuring expenses	225	4,918
Other income	(3,673)	(3,979)
Total expenses	\$ 1,541,583	\$ 1,410,317

The above costs are shown in the income statement as follows:

	Year Ended April 30,	
	2025	2024
Cost of revenue	\$ 381,484	332,476
Operating expenses and other income	1,160,099	1,077,841
Total expenses	\$ 1,541,583	\$ 1,410,317

Cost of revenue, and operating expenses and other income, include amortization expense of \$9.2 million and \$1.2 million, respectively.

29. 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 16 – *Share Based Payments*).

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

Key Management Personnel Compensation Comprised:

Name and Principal Position	Fiscal Year	Short-term employee benefits		Non-Equity Incentive Plan Compensation \$(1)	Share-Based Payment \$(2)	Post-employment benefits		Total \$(3)
		Salary (\$)	Bonus (\$)			All Other Compensation (\$)		
Ashutosh Kulkarni	2025	625,000	—	694,096	12,999,970	29,668	(3)	14,348,734
CEO	2024	600,000	—	598,175	12,755,444	19,800	(3)	13,973,419
Navam Welihinda	2025	85,417	—	70,741	9,363,770	3,750	(3)	9,523,678
CFO								
Shay Banon	2025	514,006	—	428,124	3,749,877	2,682	(3)(4)	4,694,689
CTO	2024	475,235	—	301,314	4,195,944	31,021	(4)(5)(6)	5,003,514
Janesh Moorjani	2025	335,417	—	196,875	5,999,848	93,110	(3)	6,625,250
Former CFO/COO	2024	512,500	—	306,565	5,907,254	11,900	(3)	6,738,219
Eric Prengel	2025	461,875	—	142,490	2,849,941	26,029	(3)	3,480,335
Former interim CFO								

- (1) Except as otherwise stated, the amounts reported 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 2025 and 2024, the performance metrics were based on Cloud Revenue, Total Revenue, and Non-GAAP Operating Margin targets. See Remuneration Report.
- (2) The amounts shown represent the grant date fair value of RSU awards granted to named executive officers for fiscal years 2025 and 2024 and PSU awards assuming target award value, granted to named executive officers for fiscal years 2025 and 2024, as applicable. Such amounts do not represent amounts paid to or realized by the non-executive director. The amounts reported for RSUs and PSUs, 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 2025, would be as follows: Mr. Kulkarni, \$9,099,968; Mr. Banon, \$2,624,780; and Mr. Moorjani, \$4,199,916; and (ii) for fiscal year 2024, would be as follows: Mr. Kulkarni, \$5,749,918; Mr. Banon, \$1,499,931; and Mr. Moorjani, \$2,899,940. See Note 16, "Share-Based Payments" regarding assumptions underlying valuation of equity awards.
- (3) The amount disclosed represents Elastic's contributions made under our Section 401(k) plan except Mr. Banon who is not eligible for the plan. With respect to Messrs. Kulkarni, Banon, Dodds, Exner, and Prengel, the amounts shown for fiscal year 2025 also include guest travel expenses and related tax gross-ups for certain company events. The amount shown for Mr. Moorjani for fiscal year 2025 also includes payout of accrued and unused leave balances upon termination in accordance with Company policy and California labor laws.
- (4) Amounts for fiscal year 2025 (and a portion of the amounts for fiscal year 2024) 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 1.2789 for the year ended April 30, 2025 and a spot currency exchange rate of 1 GBP = USD 1.2544 as of fiscal year end April 30, 2024.
- (5) A portion of the amounts for fiscal year 2024 have been reported on an as-converted basis from Israeli new shekels ("ILS") to USD based on spot currency exchange rates of 1 ILS=USD 0.2670 as of our fiscal year end April 30, 2024.
- (6) The amount shown is the sum of the following amounts, calculated on an as-converted basis as described in note (5): contributions by Elastic of \$11,572 in ILS to a severance pay fund pursuant to Israeli law; contributions by Elastic of \$9,030 in ILS to a pension and manager's insurance fund pursuant to Israeli labor laws; and contributions by Elastic of \$10,419 in ILS to an education saving fund.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

(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:

Name	Grant date	Award Type	Option Awards				Share Awards	
			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
Navam Welihinda	March 8, 2025	(13) RSU					98,566	8,496,389
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
Eric Prengel	December 14, 2024	(15) RSU					19,221	1,656,850
	December 8, 2024	(16) RSU					7,181	619,002
	December 8, 2023	(8) RSU					4,660	401,692
	March 8, 2023	(17) RSU					25,880	2,230,856

- (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.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

(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, 2024:

Name	Grant date	Award Type (*)	Option Awards				Share Awards	
			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	105,010	81,676	75.85	March 7, 2032	
	December 8, 2021	(3)	NQ	15,271	10,908	128.31	December 7, 2031	
	March 8, 2021	(4)	NQ	5,058	1,504	111.20	March 7, 2031	
	February 9, 2021	(5)	ISO/NQ	25,524	5,891	166.43	February 8, 2031	
	December 8, 2023	(6)	RSU					67,797
	June 8, 2023	(7)	PSU					42,007
	December 8, 2022	(8)	RSU					159,943
	March 8, 2022	(9)	RSU					23,815
	December 8, 2021	(10)	RSU					5,808
	March 8, 2021	(11)	RSU					14,605
								1,492,923
Janesh Moorjani	March 8, 2022	(12)	NQ	60,474	—	75.85	March 7, 2032	
	December 8, 2021	(3)	NQ	15,271	10,908	128.31	December 7, 2031	
	December 8, 2020	(13)	ISO/NQ	20,806	4,162	145.83	December 7, 2030	
	June 8, 2019	(14)	NQ	33,416	23,869	81.39	June 7, 2029	
	April 2, 2018	(15)	ISO/NQ	12,464	—	13.07	April 1, 2028	
	September 7, 2017	(16)	ISO/NQ	58,931	—	10.15	September 6, 2027	
	December 8, 2023	(6)	RSU					36,833
	June 8, 2023	(7)	PSU					21,186
	December 8, 2022	(8)	RSU					69,816
	December 8, 2021	(10)	RSU					5,808
	December 8, 2020	(17)	RSU					3,151
	June 8, 2019	(18)	RSU					5,304
								542,175
Shay Banon	December 8, 2021	(3)	NQ	30,542	21,817	128.31	December 7, 2031	
	December 8, 2020	(13)	NQ	52,017	10,404	145.83	December 7, 2030	
	April 2, 2018	(19)	NQ	108,334	—	13.07	April 2, 2028	
	September 7, 2017	(20)	NQ	18,007	—	10.15	September 6, 2027	
	December 8, 2023	(6)	RSU					19,833
	June 8, 2023	(7)	PSU					10,958
	December 8, 2022	(8)	RSU					38,082
	December 8, 2021	(10)	RSU					11,615
	December 8, 2020	(17)	RSU					7,877
								805,187

- (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, 2024, which was \$102.22.
- (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 vest 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 March 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 represent achievement of the performance metric at the target level. 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.
- (8) 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.
- (9) 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.
- (10) 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.
- (11) One-fourth of the ordinary shares subject to the award of RSUs vest on March 8, 2021, and one-eighth of the ordinary shares subject to the award vest in six equal semiannual installments thereafter, subject to continued service to us through the applicable vesting date.
- (12) The ordinary shares subject to the option vest in 24 equal monthly installments beginning on April 8, 2022, subject to continued service to us through the applicable vesting date.
- (13) 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.
- (14) 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.
- (15) The ordinary shares subject to the option vested in 48 equal monthly installments beginning on November 1, 2019, subject to continued service to us through the applicable vesting date. The option became fully vested on October 1, 2023.

Elastic N.V.
Notes to Consolidated Financial Statements
April 30, 2025 and 2024

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

- (16) The option was subject to an early option exercise provision and was immediately exercisable. One-fourth of the ordinary shares subject to the option vested on August 28, 2018, and 1/48th of the ordinary shares subject to the option vested monthly thereafter. The option became fully vested on August 28, 2021.
- (17) The ordinary shares subject to the award of RSUs vest in eight equal semiannual installments beginning on June 8, 2021, subject to continued service to us through the applicable vesting date.
- (18) The ordinary shares subject to the award of RSUs vest in eight equal semiannual installments beginning on June 8, 2022, subject to continued service to us through the applicable vesting date.
- (19) The ordinary shares subject to the option vested in 48 equal monthly installments beginning on May 2, 2018, subject to continued service to us through the applicable vesting date. The option became fully vested on April 2, 2022.
- (20) The ordinary shares subject to the option vested in 48 equal monthly installments beginning on May 1, 2017, subject to continued service to us through the applicable vesting date. The option became fully vested on April 1, 2021.

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, 2025 and 2024.

Non-Executive Directors' Compensation

The table below shows the total compensation awarded to our non-executive directors during fiscal 2025 (amounts 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 16, "Share-Based Payments" 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) Represents the aggregate grant date fair value of RSUs granted to the incumbent non-executive directors on 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.

The table below shows the total compensation awarded to our non-executive directors during fiscal 2024 (amounts in \$). Totals may not sum due to rounding.

	Fees earned or paid in cash	Share-based payment (1)	Total
Sohaib Abbasi (2)	\$ 42,657	\$ 199,994 (3)	\$ 242,651
Paul Auvil (2)	35,718	199,994 (3)	235,712
Jonathan Chadwick (4)	26,939	—	26,939
Alison Gleeson (2)	50,000	199,994 (3)	249,994
Shelley Leibowitz (2)	49,900	199,994 (3)	249,894
Caryn Marooney (2)	39,900	199,994 (3)	239,893
Chetan Puttagunta (2)	75,800	199,994 (3)	275,793
Steven Schuurman (5)	35,000	—	35,000
	\$ 355,915	\$ 1,199,962	\$ 1,555,877

- (1) The amounts shown represent the grant date fair value of RSU awards granted in fiscal 2024 for financial reporting purposes pursuant to the provisions of IFRS 2. Such amounts do not represent amounts paid to or realized by the non-executive director. See Note 16, "Share-Based Payments" regarding assumptions underlying valuation of equity awards. Additional information regarding the RSUs awarded to each non-executive director during fiscal 2024 is set forth in the footnotes below.
- (2) As of April 30, 2024, the non-executive director held 2,627 RSUs and no options to purchase ordinary shares.
- (3) Represents the aggregate grant date fair value of RSUs granted to the incumbent non-executive directors on October 5, 2023, under the terms of our non-executive director compensation policy for fiscal year 2024 and the Stock Plan.
- (4) Mr. Chadwick's term as a member of our board of directors expired at our 2023 annual general meeting of shareholders. As of April 30, 2024, Mr. Chadwick held no RSUs or options to purchase ordinary shares.
- (5) Mr. Schuurman did not receive any grants of RSUs or options to purchase ordinary shares for fiscal year 2024 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, 2024, Mr. Schuurman held no RSUs or options to purchase ordinary shares.

Elastic N.V.
Consolidated Statements of Financial Position
April 30, 2025 and 2024
(in thousands U.S. dollars)

30. **Group Entities**

Details of the Group's 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	Registered office	Incorporation date
Elastic International B.V.	Amsterdam, the Netherlands	Keizersgracht 281, 1016 ED Amsterdam, The Netherlands	May 6, 2021
Elastic Technologies (India) Private Limited	India	1st Floor, Sunriver Wing A, Embassy Golf Links Business Park, Challaghatta, Bangalore – 560071, Karnataka, India	March 19, 2021
Elastic Technologies (Israel) Ltd.	Tel Aviv, Israel	Amot BDO House, 48 Menachem Begin Road, Tel Aviv 66180, Israel	February 23, 2020
Elastic Worldwide B.V.	Amsterdam, the Netherlands	Keizersgracht 281, 1016 ED Amsterdam, The Netherlands	October 29, 2021
Elasticsearch B.C. Ltd.	Canada	1600 – 925 West Georgia Street, Vancouver BC V6C 3L2 Canada	November 5, 2014
elasticsearch B.V.	Amsterdam, the Netherlands	Keizersgracht 281, 1016 ED Amsterdam, The Netherlands	February 9, 2012
Elasticsearch Federal Inc.	Delaware, USA	251 Little Falls Drive, Wilmington, Delaware 19808-1674 New Castle County, Delaware, USA	May 29, 2013
Elasticsearch GmbH	Berlin, Germany	c/o TMF, Maximilianstrasse 54, 80538 Munich, Germany	January 16, 2013
Elasticsearch, Inc.	Delaware, USA	251 Little Falls Drive, Wilmington, Delaware 19808-1674 New Castle County, Delaware, USA	August 7, 2012
Elasticsearch KK	Japan	The Executive Centre, JP Tower 14F, 2-7-2, Marunouchi, Chiyoda-ku, Tokyo, 100-0005	September 12, 2014
Elasticsearch Limited	London, UK	5 Southampton Street London WC2E 7HA United Kingdom	January 16, 2013
Elasticsearch Pty Ltd	New South Wales, Australia	C/- Intertrust Australia Pty Ltd, Suite 2 Level 25, 100 Miller Street, North Sydney NSW 2060 Sydney NSW 2000	September 3, 2014
Endgame, Inc.	Delaware, USA	251 Little Falls Drive, Wilmington, Delaware, 19808-1674 New Castle County, Delaware, USA	October 7, 2010
Endgame Systems, LLC	Delaware, USA	251 Little Falls Drive, Wilmington, Delaware, 19808-1674 New Castle County, Delaware, USA	June 17, 2008
Swifttype, Inc.	Delaware, USA	251 Little Falls Drive, Wilmington, Delaware, 19808-1674 New Castle County, Delaware, USA	September 25, 2017
Elasticsearch SARL	Paris, France	42 rue Monge, 75005 Paris, France	November 18, 2013
Elasticsearch HK Limited	Hong Kong	Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	June 29, 2015
Elasticsearch Pte. Ltd.	Singapore	10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore 049315	June 8, 2015
Elasticsearch (CH) AG	Zug, Switzerland	c/o Juris Services AG, Industriestrasse 47, 6300 Zug, Switzerland	October 30, 2015
Elasticsearch AS	Norway	c/o TMF Norway AS, Hagaløkkveien 26, 1383 Asker, Norway	September 1, 2009
Elasticsearch AB	Stockholm, Sweden	7A Posthuset. Vasagatan 28, 111 20 Stockholm, Sweden	November 5, 2012
Elasticsearch, S.L.U.	Spain	c/o TMF, Travessera de Gracia 11, 5, 08021 Barcelona, Spain	September 16, 2016
Elasticsearch (Beijing) Information Technology Co., Ltd.	People's Republic of China	Room 304-10, 3F, Building 3 of Tower B, Pacific Century Center, 2A North Worker Stadium Road, Chaoyang District, Beijing	September 5, 2018
Elasticsearch Korea Limited	Seoul, Korea	#105 and #106 13F, 7 Teheran-ro 5-gil Gangnam-gu, Seoul, Republic of Korea 06134	October 19, 2015
Opbeat ApS	Denmark	c/o TMF Denmark A/S, H. C. Andersens Boulevard 38, 3. th, 1553 København V, Denmark	May 1, 2012
Elastic Italy S.R.L.	Italy	Viale Abruzzi 94, 20131 Milano (MI), Italy	June 20, 2022
Elastic Technologies Brasil Ltda.	Brazil	Avenida Nove de Julho, no 3228, suite 604, Ed. First Office Flat, Jardim Paulista, CEP 01406-000, São Paulo, SP	April 26, 2023
Elastic Middle East FZ-LLC	Dubai, UAE	Dubai Internet City, DIC Building 14, Units 201 & 220 (2nd floor), United Arab Emirates, PO Box No: 112131	September 19, 2023
Opster Ltd.	Israel	4 HaSheizaf St., Ra'anana, 4366411 Israel	July 31, 2019
Elastic Costa Rica S.R.L.	San Jose, Costa Rica	San Jose, Mata Redonda, Sabana Sur, Oficentro Ejecutivo La Sabana, Edificio Seis, Quinto Piso	March 18, 2024
Elastic Technologies Mexico, S. de R.L. de C.V.	Mexico	C/O BDO Mexico, Blvd. Agua Caliente #10611 - 1101, Colonia Aviación, Tijuana, Baja California CP 22014 Mexico	November 8, 2024
Elastic Technologies (US) Inc.	Delaware, USA	251 Little Falls Drive, Wilmington, Delaware 19808-1674 New Castle County, Delaware, USA	February 17, 2025

Elastic N.V.
Consolidated Statements of Financial Position
April 30, 2025 and 2024

(in thousands U.S. dollars)

31. Subsequent Events

On May 21, 2025, the Group acquired 100% of the share capital of Keep Alerting Ltd., an open source AIOps company, for cash consideration of approximately \$10.0 million. Headquartered in Israel, Keep Alerting Ltd. unifies alerts and automates incident remediation, helping users manage alerts to improve operational efficiency and service reliability.

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.

On August 22, 2025, Sohaib Abbasi notified the board of directors of the Company that he will not be standing for re-appointment as a non-executive director following the expiration of his term at the Company's upcoming annual general shareholders meeting in September 2025 (the "Annual Meeting"). Mr. Abbasi has served on our board of directors since July 2022, and we are grateful for his dedication and contributions to our company during this period. Accordingly, following the Annual Meeting, our board of directors will be composed of eight directors, consisting of two executive directors and six non-executive directors.

Company Financial Statements

Elastic N.V.
Company Balance Sheets
April 30, 2025 and 2024

(in thousands U.S. dollars)

After appropriation of results

		As of April 30,	
		2025	2024
	Notes		
Assets			
Non-current assets			
Financial fixed assets	2	\$ 1,571,284	\$ 1,376,575
Deposits		469	443
Total non-current assets		\$ 1,571,753	\$ 1,377,018
Current assets			
Prepayments		2,130	2,298
Trade and other receivables	7	57,632	32,666
Marketable securities		669,717	544,002
Cash and cash equivalents		223,465	130,199
Total current assets		952,944	709,165
Total assets		\$ 2,524,697	\$ 2,086,183
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital		\$ 1,113	\$ 1,071
Share premium		947,823	906,889
Translation reserves		(25,401)	(19,840)
Other reserves		1,271,146	1,003,347
Accumulated losses		(1,271,359)	(1,146,852)
Total shareholders' equity	4	\$ 923,322	\$ 744,615
Liabilities			
Non-current liabilities			
Provisions	3	802,731	665,973
Borrowings	5	569,729	568,612
Other non-current liabilities		—	3,078
Total non-current liabilities		\$ 1,372,460	\$ 1,237,663
Current liabilities			
Trade and other payables	6	228,915	103,905
Total current liabilities		\$ 228,915	\$ 103,905
Total liabilities		\$ 1,601,375	\$ 1,341,568
Total shareholders' equity and liabilities		\$ 2,524,697	\$ 2,086,183

The accompanying notes are an integral part of these financial statements

Elastic N.V.
Company Profit and Loss accounts
For the Years Ended April 30, 2025 and 2024
(in thousands US dollars unless otherwise stated)

		Year Ended April 30,	
		2025	2024
	Notes		
Share of results of investments, after tax	1	\$ 949	\$ 254,589
Other income and expense, after tax		(125,456)	(195,411)
Loss (Income) for the year		\$ (124,507)	\$ 59,178

The accompanying notes are an integral part of these financial statements

Elastic N.V.

Notes to the Company Financial Statements

April 30, 2025 and 2024

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

1. Accounting Information and Policies

Basis of Preparation

The Company financial statements of Elastic N.V. 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.

Reclassifications

Certain prior period amounts have been reclassified in order to conform to the current period presentation. These reclassifications had no material effect on the previously reported amounts.

	As previously disclosed	Reclassifications	After Reclassifications
Financial Fixed Assets	\$ 649,444	\$ 727,131	\$ 1,376,575
Prepayments	\$ 2,421	\$ (123)	\$ 2,298
Trade and other receivables	\$ —	\$ 32,666	\$ 32,666
Trade and other payables	\$ (10,204)	\$ (93,701)	\$ (103,905)
Provisions	\$ —	\$ (665,973)	\$ (665,973)
Share of results of investments after tax	\$ 124,034	\$ 130,555	\$ 254,589
Other income and expense, after tax	\$ (64,856)	\$ (130,555)	\$ (195,411)

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 de-recognized from the date that control ceases.

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).

Elastic N.V.

Notes to the Company Financial Statements

April 30, 2025 and 2024

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

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.

2. Financial Fixed Assets

Movements in financial fixed assets are as follows:

	Investments in Consolidated Subsidiaries
At April 30, 2023	
Net book value	\$ 372,342
Reclassification	528,422
Net book value adjusted	<u>\$ 900,764</u>
Movements in book value	
Investments	\$ 32,111
Capital contributions	189,073
Share of results of investments	254,589
Translation results	38
	<u>\$ 475,811</u>
At April 30, 2024	
Net book value	<u>\$ 1,376,575</u>
Movements in book value	
Investments	\$ 11
Capital contributions	199,310
Share of results of investments	949
Translation results	(5,561)
	<u>\$ 194,709</u>
At April 30, 2025	
Net book value	<u>\$ 1,571,284</u>

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.

The negative net asset value was previously recognized within Financial Fixed Assets. As of April 30, 2024, the Company reclassified the net asset value from Financial Fixed Assets to Provisions, non-current. Additions represent the Company share of losses in the subsidiary during the years presented.

	Provisions
At April 30, 2023	\$ —
Reclassification	528,422
Additions, net	137,551
At April 30, 2024	<u>\$ 665,973</u>
Additions, net	136,758
At April 30, 2025	<u>\$ 802,731</u>

Elastic N.V.

Notes to the Company Financial Statements

April 30, 2025 and 2024

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

4. Shareholders' Equity

	Share capital	Share premium	Translation reserves	Other reserves	Accumulated losses	Total equity
Balance at April 30, 2023	\$ 1,025	\$ 866,853	\$ (19,945)	\$ 755,841	\$ (1,206,030)	\$ 397,744
Income for the period	—	—	—	—	59,178	59,178
Other comprehensive loss:						
Unrealized loss on marketable securities	—	—	—	(1,728)	—	(1,728)
Foreign currency translation differences	—	—	105	—	—	105
Total comprehensive income(loss) for the year	—	—	105	(1,728)	59,178	57,555
Contributions by owners						
Issuance of ordinary shares upon exercise of stock options	14	20,905	—	—	—	20,919
Issuance of ordinary shares upon release of restricted stock units	28	—	—	(28)	—	—
Issuance of ordinary shares under employee stock purchase plan	4	19,131	—	—	—	\$19,135
Share-based compensation expense	—	—	—	249,262	—	249,262
Balances at April 30, 2024	\$ 1,071	\$ 906,889	\$ (19,840)	\$ 1,003,347	\$ (1,146,852)	\$ 744,615
Total comprehensive income for the year:						
Loss for the period	—	—	—	—	(124,507)	(124,507)
Other comprehensive loss:						
Unrealized loss on marketable securities	—	—	—	3,995	—	3,995
Foreign currency translation differences	—	—	(5,561)	—	—	(5,561)
Total comprehensive income (loss) for the year	—	—	(5,561)	3,995	(124,507)	(126,074)
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	\$ (25,401)	\$ 1,271,146	\$ (1,271,359)	\$ 923,322

Issuance of Shares

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 Employee Stock Purchase Plan ("2022 ESPP").

During fiscal 2024, 1,292,375 ordinary shares were issued upon exercise of stock options, 2,701,448 ordinary shares issued upon release of RSUs, and 345,165 shares were issued under the 2022 ESPP.

Ordinary Shares and Preference Shares

At April 30, 2025 there were 165,000,000 ordinary shares authorized par value €0.01 per share; 105,534,887 shares issued and outstanding as of April 30, 2025 and 101,705,935 shares issued and outstanding as of April 30, 2024.

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, 2025.

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, 2024. This authorization is valid for a period of 18 months from October 1, 2024, the date of such general meeting of shareholders, until April 1, 2026.

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, 2025, 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.

Elastic N.V.

Notes to the Company Financial Statements

April 30, 2025 and 2024

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

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 loss for fiscal 2025 be added to the 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. Total debt issuance costs of \$9.3 million are being amortized to interest expense using the effective interest method over the term of the Senior Notes. The Company may 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,	
	2025	2024
Principal	\$ 575,000	\$ 575,000
Unamortized debt issuance costs	(5,271)	(6,388)
Net carrying amount	\$ 569,729	\$ 568,612

The following table sets forth the interest expense recognized related to the Senior Notes (in thousands):

	Year Ended April 30,	
	2025	2024
Contractual interest expense	\$ 23,719	\$ 23,719
Amortization of debt issuance costs	1,117	1,069
Total interest expense related to the Senior Notes	\$ 24,836	\$ 24,788

Elastic N.V.
Notes to the Company Financial Statements
April 30, 2025 and 2024

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

6. Trade and Other Payables

	As of April 30,	
	2025	2024
Due to subsidiaries	\$ 214,440	\$ 93,726
Trade payables	1,449	1,363
Payroll and social charges liabilities	3,060	3,083
Accrued expenses	3,018	1,765
Other liabilities	6,947	7,046
Total Trade and other payables	<u>\$ 228,914</u>	<u>\$ 106,983</u>
Current	\$ 228,914	\$ 103,905
Non-current	—	3,078
Total Trade and other payables	<u>\$ 228,914</u>	<u>\$ 106,983</u>

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.

7. Trade and Other Receivables

	As of April 30,	
	2025	2024
Due from subsidiaries	\$ 57,506	\$ 32,568
Other	126	98
Total Trade and other receivables	<u>\$ 57,632</u>	<u>\$ 32,666</u>
Current	\$ 57,632	\$ 32,666
Non-current	—	—
Total Trade and other receivables	<u>\$ 57,632</u>	<u>\$ 32,666</u>

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. Employees

During fiscal 2025 and 2024, the average number of employees, based on full time equivalents, was 0.

9. Directors' Remuneration

Non-executive directors' compensation

The table below shows the total compensation awarded to our non-executive directors during fiscal 2025 (amounts 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
	<u>\$ 361,933</u>	<u>\$ 1,199,861</u>	<u>\$ 1,561,794</u>

- (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 16, "Share-Based Payments" 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) Represents the aggregate grant date fair value of RSUs granted to the incumbent non-executive directors on October 1, 2024, under the terms of our non-executive director compensation policy for fiscal year 2025 and the Stock Plan.

Elastic N.V.

Notes to the Company Financial Statements

April 30, 2025 and 2024

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

- (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.

The table below shows the total compensation awarded to our non-executive directors during fiscal 2024 (amounts in \$). Totals may not sum due to rounding.

	Fees earned or paid in cash	Share-based payment (1)	Total
Sohaib Abbasi (2)	\$ 42,657	\$ 199,994 (3)	\$ 242,651
Paul Auvil (2)	35,718	199,994 (3)	235,712
Jonathan Chadwick (4)	26,939	—	26,939
Alison Gleeson (2)	50,000	199,994 (3)	249,994
Shelley Leibowitz (2)	49,900	199,994 (3)	249,894
Caryn Marooney (2)	39,900	199,994 (3)	239,893
Chetan Puttagunta (2)	75,800	199,994 (3)	275,793
Steven Schuurman (5)	35,000	—	35,000
	\$ 355,915	\$ 1,199,962	\$ 1,555,877

- (1) The amounts shown represent the grant date fair value of RSU awards granted in fiscal 2024 for financial reporting purposes pursuant to the provisions of IFRS 2. Such amounts do not represent amounts paid to or realized by the non-executive director. See Note 16, "Share-Based Payments" regarding assumptions underlying valuation of equity awards. Additional information regarding the RSUs awarded to each non-executive director during fiscal 2024 is set forth in the footnotes below.
- (2) As of April 30, 2024, the non-executive director held 2,627 RSUs and no options to purchase ordinary shares.
- (3) Represents the aggregate grant date fair value of RSUs granted to the incumbent non-executive directors on October 5, 2023, under the terms of our non-executive director compensation policy for fiscal year 2024 and the Stock Plan.
- (4) Mr. Chadwick's term as a member of our board of directors expired at our 2023 annual general meeting of shareholders. As of April 30, 2024, Mr. Chadwick held no RSUs or options to purchase ordinary shares.
- (5) Mr. Schuurman did not receive any grants of RSUs or options to purchase ordinary shares for fiscal year 2024 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, 2024, Mr. Schuurman held no RSUs or options to purchase ordinary shares.

10. Subsequent Events

On May 21, 2025, the Company acquired 100% of the share capital of Keep Alerting Ltd., an open source AIOps company, for cash consideration of approximately \$10.0 million. Headquartered in Israel, Keep Alerting Ltd. unifies alerts and automates incident remediation, helping users manage alerts to improve operational efficiency and service reliability.

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.

On August 22, 2025, Sohaib Abbasi notified the board of directors of the Company that he will not be standing for re-appointment as a non-executive director following the expiration of his term at the Company's upcoming annual general shareholders meeting in September 2025 (the "Annual Meeting"). Mr. Abbasi has served on our board of directors since July 2022, and we are grateful for his dedication and contributions to our company during this period. Accordingly, following the Annual Meeting, our board of directors will be composed of eight directors, consisting of two executive directors and six non-executive directors.

Elastic N.V.

Notes to the Company Financial Statements

April 30, 2025 and 2024

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

The financial statements were approved by the board of directors and authorized for issue on August 27, 2025 and signed by:

Ashutosh Kulkarni (appointed March 9, 2022)

Executive Director & Chief Executive Officer

August 27, 2025

Shay Banon (appointed July 20, 2012)

Executive Director & Chief Technology Officer

August 27, 2025

Paul Auvil (appointed October 5, 2023)

Non-executive Director

August 27, 2025

Sohaib Abbasi (appointed July 13, 2022)

Non-executive Director

August 27, 2025

Shelley Leibowitz (appointed October 1, 2021)

Non-executive Director

August 27, 2025

Alison Gleeson (appointed January 10, 2020)

Non-executive Director

August 27, 2025

Caryn Marooney (appointed April 25, 2019)

Non-executive Director

August 27, 2025

Chetan Puttagunta (appointed January 10, 2017)

Non-executive Director

August 27, 2025

Steven Schuurman (appointed July 20, 2012)

Non-executive Director

August 27, 2025

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 incurred a net loss during the year and had no distributable profits. Accordingly, the board of directors of the Group has determined that the net loss for fiscal 2025 be added to the accumulated losses.

Independent Auditor's Report

The report of the independent auditor, PricewaterhouseCoopers Accountants N.V., is set forth on the following pages.

Independent Auditor's Report

Independent auditor's report

To: the general meeting and board of directors of Elastic N.V.

Report on the audit of the financial statements 2024/2025

Our opinion

In our opinion:

- the consolidated financial statements of Elastic N.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 30 April 2025 and of its result and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code;
- the company financial statements of Elastic N.V. ('the Company') give a true and fair view of the financial position of the Company as at 30 April 2025 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2024/2025 of Elastic N.V., Amsterdam. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statements of financial position as at 30 April 2025;
- the following statements for 2024/2025: the consolidated statements of comprehensive (loss) income, changes in equity and cash flows; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

The company financial statements comprise:

- the company balance sheets as at 30 April 2025;
- the company profit and loss accounts for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is IFRS Accounting Standards as adopted by the EU and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Elastic N.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matter, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Overview and context

Elastic N.V. (the "Company") was founded in 2012. The Company created a set of software products that ingest and store data to allow users to search, analyse, and visualise this data. In October 2018, the Company listed its shares on the New York Stock Exchange. Revenues for the year ended 30 April 2025 amount to \$1,483 million, an increase of 17% compared to the year ended 30 April 2024. The Company invests in its products and support, which resulted in a loss before income tax of \$36 million for the year ended 30 April 2025 (as compared to a loss before income tax of \$138 million for the year ended 30 April 2024). These figures resulted in an increase in our materiality compared to prior year as outlined in the section 'Materiality'. The Group is comprised of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'. We paid specific attention to the areas of focus driven by the operations of the Group, as set out below.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain..

In note 2 of the financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the higher inherent risks of material misstatement in revenue recognition, we considered this matter as key audit matter as set out in the section 'Key audit matters' of this report.

Other area of focus, that was not considered as key audit matter, was the share based payment calculations.

We validated that the audit team included the appropriate skills and competences which are needed for the audit. We therefore included team members that have expertise in IT and income tax.

The outline of our audit approach was as follows:

Materiality
Overall materiality: \$10,000,000
Audit scope
- We conducted audit work in the United States and in the Netherlands. - Audit coverage: 100% of consolidated revenue, 100% of consolidated total assets and 94% of consolidated profit before tax.
Key audit matters
Revenue Recognition - Identification and Evaluation of Terms and Conditions in Contracts.

Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

\$10,000,000 (2023/2024: \$9,300,000).

We used our professional judgement to determine overall materiality. As a basis for our judgement, we used a combination of the loss before income tax and total revenues based on the accounting principles generally accepted in the United States of America (U.S. GAAP) consolidated financial statements as filed on Form 10-K. More specifically, we used benchmarks of 5% of the loss before income tax and 1% of total revenues.

The use of profit/loss before tax and total revenues as the primary benchmarks to determine materiality is a generally accepted auditing practice, based on our analysis of the common information needs of the users of the financial statements.

The Company uses two accounting frameworks for calculating loss before income tax:

- IFRS Accounting Standards as adopted by the European Union ('EU'); and
- U.S. GAAP applied for the quarterly and annual earnings releases and the financial statements filed with the United States Securities and Exchange Commission. This framework is the basis for and is applied in the operational accounting records and is predominately used by most of the stakeholders.

In our judgment, the users of financial information of the Company are primarily interested in the U.S. GAAP financial information. Any user of these financial statements (IFRS Accounting Standards) would likely not review this information in isolation. If users did review this information, it would be in supplement to the U.S. GAAP financial information. Therefore, we applied the 5% and 1%, as per above, on the loss before income tax and the revenue based on U.S. GAAP for the audit of these financial statements. We also tested the appropriateness of the reconciling items from U.S. GAAP to IFRS Accounting Standards as adopted by the European Union. It is noted that the Revenue balance based on IFRS Accounting Standards does not differ from the Revenue balance based on US GAAP. The loss before income tax based on IFRS Accounting Standards slightly differs than the loss before income tax based on US GAAP, but this variance did not result in changes in the materiality levels.

Based on our judgement, we allocate materiality to each component in our audit scope that is less than our overall group materiality. The range of materiality allocated across components was between \$3.4 million and \$9.5 million.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the Audit Committee that we would report to them any misstatement identified during our audit above \$850,000 (2023/2024: \$790,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

Elastic N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of Elastic N.V.

We are responsible for the identification and assessment of the risks of material misstatement of the financial statements of the group, including those with respect to the consolidation process. Based on our risk assessment, we tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the financial statements to enable us to provide an opinion on the financial statements as a whole.

In setting the scope of our group audit we determined what audit work needed to be performed at group level or component level and whether involvement of component auditors was necessary.

As all accounting processes, with the exception of the payroll process, are centrally managed and accounted for, the group audit team was able to conduct the audit procedures centrally in the Netherlands and the United States. We performed all audit procedures on a consolidated level except for the audit of payroll related balances. For the audit of payroll related balances, we identified six components to which allocated a component materiality (see above). The audit of these payroll related balances was centrally performed in the United States.

Our audit primarily focused on the significant components of the Group: Elasticsearch, Inc., Elasticsearch Limited, elasticsearch B.V., Elasticsearch GmbH, Elasticsearch SARL and Endgame Systems LLC.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	100%
Total assets	100%
Profit before tax	94%

By performing the procedures outlined above we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of Elastic N.V. and its environment and the components of the internal control system. This included management's risk assessment process, management's process for responding to the risks of fraud and monitoring the internal control system. We refer to section 'Risk Management and Control Systems' of the Dutch Statutory Board report for management's fraud risk assessment.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct, whistleblower procedures, incident registration and investigation protocols, among other things. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the management as well as the internal audit department, legal, IT department, treasury and sales whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

<i>Identified fraud risks</i>	<i>Our audit work and observations</i>
Risk of management override of controls Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in: • the appropriateness of journal entries and other adjustments made in the preparation of the financial statements • estimates • significant transactions, if any, outside the normal course of business for the entity.	We evaluated the design and implementation of the internal control system in the processes of generating and processing journal entries and making estimates. We also paid specific attention to the access safeguards in the IT system and the possibility that these lead to violations of segregation of duties. We selected journal entries based on risk criteria and conducted specific audit procedures for these entries. These procedures include, among others, inspection of the entries to source documentation. We also considered the estimates of management as disclosed in Note 2 to the financial statements. We specifically paid attention to the inherent risk of bias of management in estimates when we identified a risk of material misstatement related to those estimates. We did not identify significant transactions outside the normal course of business. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls.
Risk of fraud in revenue recognition As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated the risk of fraudulent financial reporting from an overstatement of revenues (e.g., through inaccurate revenue recognition). There is a risk for manual manipulation of the input data for the calculation of revenue to be recognised. Therefore this fraud risk is concentrated on the Accuracy assertion. Revenues is an important key performance indicator to demonstrate performance. This could lead to pressure on management to overstate revenue.	We evaluated the design and implementation of the internal control system in the processes related to revenue recognition. We tested, on a sample basis, the delivered performance and transaction prices of the revenue transactions based on transaction details from the RevPro waterfall report, tracing them to supporting documentation, and recalculating revenue recognized. In addition, we performed audit procedures by confirming accounts receivable balances or performing cash receipt testing on the accounts receivables balances per year-end to verify existence of sales transaction occurred during the financial year. We also performed procedures over deferred revenue balances, including a re-calculation of the year-end balances. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to the revenue reporting.

We incorporated an element of unpredictability in our audit. We also reviewed lawyer's letters. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations. Whenever we identify any indications of fraud, we re-evaluate our fraud risk assessment and its impact on our audit procedures.

Audit approach going concern

Management prepared the financial statements on the assumption that the entity is a going concern and that it will continue all its operations for at least 12 months from the date of preparation of the financial statements.

Our procedures to evaluate management's going concern assessment included, amongst others:

- considering whether management's identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks);
- considering whether management's going-concern assessment included all relevant information of which we were aware as a result of our audit;
- evaluating management's current budget and their forecast for at least 12 months from the date of preparation of the financial statements;
- performing inquiries of management's as to its knowledge of going-concern risks beyond the period of management's assessment.

Our procedures did not result in outcomes contrary to management's assumptions and judgments used in the application of the going-concern assumption.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the board of directors. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

Key audit matter	Our audit work and observations
Revenue Recognition – Identification and Evaluation of Terms and Conditions in Contracts As described in Note 3 to the consolidated financial statements, management applies the following steps in their determination of revenue to be recognised: 1. identification of the contract with a customer; 2. identification of the performance obligations in the contract; 3. determination of the transaction price; 4. allocation of the transaction price to the performance obligations; and 5. recognition of revenue when the group satisfies each performance obligation. 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. For the fiscal year ended 30 April 2025, the Group's revenue was \$1,483 million. The principal consideration for our determination that performing procedures relating to revenue recognition, specifically the identification and evaluation of terms and conditions in contracts, is a key audit matter, was the significant judgment by management in identifying and evaluating terms and conditions in contracts that impact revenue recognition. This in turn led to a high degree of auditor's judgment, subjectivity and effort in performing procedures and in evaluating the audit evidence to determine whether terms and conditions in contracts were appropriately identified and evaluated by management.	We tested the effectiveness of controls relating to the revenue recognition process, including controls related to the identification and evaluation of terms and conditions in contracts that impact revenue recognition. Our procedures also included, among others: 1. testing the completeness and accuracy of management's identification and evaluation of the specific terms with customers by examining revenue contracts on a sample basis; and 2. assessing the terms and conditions of the contract including their impact on revenue recognition. Based on our procedures we did not identify material exceptions.

Report on the other information included in the 'Dutch Statutory Board Report and Financial Statements'

The 'Dutch Statutory Board Report and Financial Statements' contains other information. This includes all information in the 'Dutch Statutory Board Report and Financial Statements' in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the Dutch Statutory Board report and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the Dutch Statutory Board report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of Elastic N.V. This followed the passing of a resolution by the shareholders at the annual general meeting held on 28 September 2018. Our appointment as auditors of Elastic N.V. and its predecessor Elasticsearch Global B.V. has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of 13 years.

Responsibilities for the financial statements and the audit

Responsibilities of the board of directors

The board of directors is responsible for:

- the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going-concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The board of directors should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

The Audit Committee of the board of directors is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 27 August 2025

PricewaterhouseCoopers Accountants N.V.

Original has been signed by:

W.J. de Feyter RA

Appendix to our auditor's report on the financial statements 2024/2025 of Elastic N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Concluding on the appropriateness of the board of directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.