elastic | The Search AI Company

2026 Annual Report

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended April 30, 2026
OR

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

For the transition period from to

Commission File Number 001-38675

Elastic N.V.

(Exact name of registrant as specified in its charter)

The Netherlands	98-1756035
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

Not Applicable[1]
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: Not Applicable[1]

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

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

Securities registered pursuant to Section 12(g) of the Act: None

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

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

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

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

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

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

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

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

[1] We are a distributed company. Accordingly, we do not have a principal executive office. For purposes of compliance with applicable requirements of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, any shareholder communication required to be sent to our principal executive offices may be directed to the email address ir@elastic.co or to Elastic N.V., 88 Kearny St., Floor 19, San Francisco, CA 94108.

The aggregate market value of the ordinary shares held by non-affiliates of the registrant, based on the closing price of the ordinary shares on the New York Stock Exchange on October 31, 2025 (the last business day of the registrant's second fiscal quarter), was approximately $9.4 billion.

As of May 29, 2026, the registrant had 103,951,633 ordinary shares, par value €0.01 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to the registrant's 2026 annual general meeting of shareholders are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated. Such definitive proxy statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the registrant's fiscal year ended April 30, 2026.

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General

Unless the context otherwise indicates, references in this report to the terms “Elastic,” “the Company,” “we,” “our,” and “us” refer to Elastic N.V. individually and together with its consolidated subsidiaries.

All information presented herein is based on our fiscal calendar. Unless otherwise stated, references to particular years, quarters, months, or periods refer to the Company’s fiscal years ended April 30 and the associated quarters, months, and periods within those fiscal years. We refer to our fiscal year ended April 30, 2026 as “fiscal 2026,” to our fiscal year ended April 30, 2025 as “fiscal 2025,” and to our fiscal year ended April 30, 2024 as “fiscal 2024.”

Trademarks

The Elastic design logo “Elastic” and our other registered or common law trademarks, service marks, or trade names appearing in this Annual Report on Form 10-K are the property of Elastic N.V. and its subsidiaries. Other trademarks and trade names referred to in this Annual Report on Form 10-K are the property of their respective owners. Solely for convenience, trademarks and trade names referred to in this Annual Report on Form 10-K may appear without the ® or ™ symbols.

Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), 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 Annual Report on Form 10-K include, but are not limited to, statements about:

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

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

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions. These statements are based upon information available to us as of the date of this Annual Report on Form 10-K, 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 Factors” in Part I, Item 1A 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 Annual Report on Form 10-K 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.

Risk Factors Summary

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 the risks and uncertainties we face, which are set forth in Part I, "Item 1A—Risk Factors" in this Annual Report on Form 10-K.

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

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

PART I

Item 1. Business

Overview

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

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

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

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

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

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

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

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

Our business has experienced significant growth around the world. Our total revenue was $1.739 billion, $1.483 billion, and $1.267 billion for the years ended April 30, 2026, 2025, and 2024, respectively, representing year-over-year growth of 17% for the years ended April 30, 2026 and 2025. Subscriptions accounted for 94% of our total revenue for the year ended April 30, 2026 and 93% of our total revenue for the years ended April 30, 2025 and 2024. Revenue from customers located outside the United States accounted for 46%, 44%, and 42% of our total revenue for the years ended April 30, 2026, 2025, and 2024, respectively.

We recorded net income of $367.8 million for the year ended April 30, 2026, net loss of $108.1 million for the year ended April 30, 2025, and net income of $61.7 million for the year ended April 30, 2024. We may incur net losses in the future. Our net cash provided by operating activities was $326.9 million, $266.2 million, and $148.8 million for the years ended April 30, 2026, 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 our platform that address a wide variety of use cases. Our platform and each of our solutions (Search & AI, Elastic Observability, and Elastic Security) are designed to run as self-managed software or as a cloud service (in public or private clouds, in hybrid environments, or in multi-cloud environments).

Elasticsearch Platform

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

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

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

Our Solutions

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

- **Search & AI.** Powered by Elasticsearch, Search & AI includes context engineering and AI, combining a scalable distributed data store, vector database, hybrid search, embedding and reranking AI models, and an agent builder. Elasticsearch simplifies building search, AI, and agentic applications by unifying structured and unstructured data, along with vectors into a single, low-latency engine that delivers precise relevance. Built for production, Elasticsearch scales with near real-time performance and cost efficiency, powering high-throughput ingestion and supporting petabyte-scale datasets.

- **Elastic Observability.** Our agentic observability platform brings logs, metrics, and traces into a unified datastore so SRE/Operations teams and AI agents can investigate, correlate, and resolve issues across applications, networks, and infrastructure. Observability includes log analytics, to search, analyze, and visualize petabytes of structured and unstructured logs; infrastructure monitoring, for visibility across cloud, on-premises, Kubernetes, serverless, and hosts; Application Performance Monitoring ("APM"), support for native production-grade OpenTelemetry without proprietary agents and broad language support to pinpoint code issues and debug faster; digital experience monitoring, to improve user experience with synthetic testing and real user monitoring ("RUM"); Streams, which parse and structure raw telemetry data without rebuilding pipelines and Significant Events, which surface critical errors, anomalies, and system changes, cutting time to root cause and giving AI agents the grounded context they need to triage alerts, run investigations, and propose remediations; and LLM observability, to track latency, errors, prompts, responses, usage, and costs across major LLM services and agent frameworks.
- **Elastic Security.** Elastic Security is an agentic security operations platform where agents handle the full lifecycle from data ingestion through response, and human analysts handle judgment, verification, and approval. Built on the Elasticsearch data and AI platform, it provides unified protection to prevent, detect, and respond to threats. The solution combines Security Information and Event Management ("SIEM"), Extended Detection and Response ("XDR"), endpoint security with third-party integrations and first-party protections, cloud security, and native Security Orchestration, Automation, and Response ("SOAR") capabilities in a single platform, with integrations across network, host, user, cloud, and endpoint data sources. It enables investigations, incident management, shareable analytics, and workflow automation with AI-driven detection, investigation, and response.

Our Deployment Options

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

Strengths of our Products

The strengths of our products include the following:

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

- **Extensibility.** Our platform can be used by developers as a foundation for addressing a wide variety of use cases. Our open approach to building our platform empowers developers to innovate and utilize it to fit their specific needs. Additionally, our developer community actively engages with us to improve and expand our platform.

Our Growth Strategies

We pursue the following growth strategies:

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

Customers

Organizations of all sizes, across many industries, including enterprises, educational institutions and government entities, purchase our products for a variety of use cases. As of April 30, 2026, we had approximately 24,000 customers compared to approximately 21,500 and approximately 21,000 customers as of April 30, 2025 and 2024, respectively. We focus on higher-value customers as exemplified by accounts spending more than $100,000 and $1.0 million annually. As of April 30, 2026, we had more than 1,720 customers spending more than $100,000 annually, and more than 240 customers spending more than $1.0 million annually. One customer, a channel partner, accounted for 11% of total revenue for the years ended April 30, 2026 and 2024, and 12% of total revenue for the year ended April 30, 2025.

Seasonality

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

Research and Development

We intend to continue to invest in our research and development capabilities to extend our products. Research and development expense totaled $451.9 million, $365.8 million, and $342.0 million for the years ended April 30, 2026, 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, leveraging AI software development tools to accelerate our time-to-market. Our distributed and highly modular team structure and well-defined software development processes also allow us to successfully incorporate acquired technologies.

Sales and Marketing

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

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

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

Partners

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

- **Cloud providers.** We work with many of the major cloud providers to increase awareness of our products and make it easy to access our software. We partner with Amazon, Google, and Microsoft to offer Elastic Cloud on AWS, GCP, and Azure, respectively, through direct purchase from us or their respective marketplaces. We also partner with other cloud providers to offer our free and paid proprietary features to users on their cloud platforms.
- **Systems integrators, channel partners, and referral partners.** We have a global network of systems integrators, channel partners, and referral partner relationships that help deliver our products to business and government customers around the world.
- **OEM and MSP partners.** Our OEM and MSP partners embed an Elastic subscription into the products or services they offer to their customers. OEM and MSP partners are able to include Elastic's proprietary features in their product, receive ongoing support from Elastic for product development, and receive support for end customer issues related to Elastic.
- **Technology partners.** Our technology partners collaborate with Elastic to create a standardized solution for end users that includes technology from both Elastic and the partner. Technology partners represent a deeper collaboration than community contributions and are distinct from distribution-oriented relationships like OEM and MSP partners.
- **AI ecosystem.** Our AI ecosystem provides customers with a curated, comprehensive set of AI technologies and tools integrated with the Elasticsearch vector database, designed to speed time-to-market, ROI delivery, and innovation. The Elastic AI Ecosystem includes integrations with Anthropic's Claude, Cohere, Confluent, Dataiku, DataRobot, Galileo, Hugging Face, LangChain, LlamaIndex, Mistral AI, NVIDIA, OpenAI, Protect AI, Red Hat, Vectorize.io, and Unstructured, along with all of the major hyperscalers, consisting of AWS, GCP, and Azure.

Services

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

Customer Support

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

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

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

Our Technology

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

Technology Features of the Elasticsearch Platform

Key features of our platform include the following:

- **Storage of any type of data.** Our platform combines powerful parts of traditional search engines, such as an inverted index to power fast full-text search and a column store for analytics, with native support for a wide range of data types, including text, dates, numbers, geospatial data, date/numeric ranges, and IP addresses. With sensible defaults, and no upfront schema definition necessary, our platform makes it easy to start with simple storage solutions and fine-tune them as datasets grow.

- **Vector database.** Elasticsearch is the most downloaded open source vector database, allowing users to create, store, and search vector embeddings at scale. By adding the ability to combine text and vector search for hybrid retrieval—and filtering, ranking, and reranking capabilities to deliver the most relevant results—we go beyond traditional vector databases. Elastic is the only platform with Better Binary Quantization to reduce the memory required without sacrificing accuracy.
- **Agent Builder.** Elastic Agent Builder is an AI conversational capability that lets you create AI agents that answer questions and take actions over any customer data using natural language. Agents combine LLM reasoning and context engineering with built-in and custom tools that query customer data, so responses are grounded in customer context.
- **Machine learning, AI, and alerting.** Machine learning capabilities such as anomaly detection, forecasting, and categorization are a tightly integrated part of our platform so as to automatically model the behavior of data, such as trends and periodicity, in real time, to identify issues faster, streamline root cause analysis, and reduce false positives. Without these capabilities, it can be difficult to identify issues such as infrastructure problems or intruders in real time across complex, high-volume, fast-moving datasets. In the last few years, we have also added native support for vector search and model management for advanced machine learning models.
- **Powerful query languages.** The Elasticsearch query domain specific language is a flexible, expressive search language that exposes a rich set of query capabilities across any kind of data. From simple Boolean operators to custom relevance functions, users can articulate exactly what they are looking for and bring their own definition of relevance. The query language also includes a composable aggregation framework that enables users to summarize, disaggregate, and analyze structured or semi-structured datasets across multiple dimensions. Examples of these capabilities, all with a single search, include tracking the top ten users by expenditure level, looking at data week over week, analyzing data across geographies, and drilling down into details with specific filters.
- **Developer centricity.** Elasticsearch has consistent, well-documented APIs that work the same way on one node during initial development as on a hundred nodes in production. Elasticsearch also ships with a number of language clients that provide a natural way to integrate with a variety of popular programming frameworks, reducing the learning curve, and leading to a shorter time to realizing value.
- **High speed.** Everything stored in Elasticsearch is indexed by default, so users do not need to decide in advance what queries they will want to run. Our architecture optimizes throughput, time-to-data availability, and query latency. Elasticsearch can index millions of events per second, and newly added data can be available for search nearly instantly.
- **High scale and availability.** Elasticsearch is designed to scale horizontally and be resilient to node or hardware failures. As nodes join a cluster, data is automatically rebalanced and queries and indexing are spread across the new nodes seamlessly. This makes it easy to add hardware to increase indexing throughput or improve query throughput. Elasticsearch also detects node failures and hardware or network issues, and automatically protects user data by eliminating the failing or inaccessible nodes and creating new replicas of the data.
- **Security.** Security features give administrators the rights to grant specific levels of access to their various types of users, such as IT, operations, and application teams. Elasticsearch serves as the central authentication hub for our entire platform. Security features include encrypted communications and encryption-at-rest; role-based access control; single sign-on and authentication; field-level, attribute-level, and document-level security; and audit logging.

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

- **Exploration and visualization of stored data.** Our platform's user interface provides interactive data views, visualizations, and dashboards powered by structured filtering and unstructured search to enable users to get to answers more quickly. Diverse user needs are supported by a variety of data visualization types, such as simple line and bar charts, purpose-built geospatial and time series visualizations, tree diagrams, network diagrams, heatmaps, scatter plots, and histograms.
- **Incorporation of advanced analytics and machine learning from Elasticsearch.** Our platform's user interface query, filtering, and data summarization capabilities reflect Elasticsearch's powerful query domain-specific language and aggregation framework while making it interactive.

- **Management of the Elasticsearch Platform.** Our user interface illustrates the health of our platform's various components and provides timely alerts to notify administrators of any problems. Its central management user interfaces make it easier to operate our platform at scale.
- **Home for solutions.** Our user interface is where our users and customers access our three solutions: Search & AI, Elastic Observability, and Elastic Security. It provides core services, like security, alerting, and data visualization components, which make it easy for users to discover all of the capabilities our platform and solutions provide.
- **Application framework.** Our user interface is designed to be extensible. Users interested in a highly specialized visualization type not distributed by default can customize experiences and make these customizations available to the community. Dozens of customizations have been shared by the community via Elastic documentation and code sharing platforms such as GitHub.

Technology Features of our Solutions

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

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

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

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

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

- **AIOps.** Always-on machine learning analysis instantly surfaces anomalies, patterns, correlations, and root causes. AI Assistant and advanced machine learning enable interactive natural language chat experience that integrates with enterprise knowledge bases to quickly resolve issues.
- **LLM observability.** LLM observability tracks costs, latency, errors, and dependencies of LLMs while ensuring safety and reliability.

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

- **SIEM.** Elastic delivers fast, scalable detection and investigation across cloud, network, endpoint, user, and third-party data. Security data is normalized using Elastic Common Schema and enriched to provide relevant context for analysis. Analysts can search across all data, pivot during investigations, and review activity using timeline views and built-in case tracking. AI-assisted features help identify related alerts and prioritize what matters most. The platform is open and accessible, giving teams full control over their data and the flexibility to adapt detections and workflows. Built-in SOAR capabilities streamline response by automating alert forwarding, case creation, and workflow integrations with external tools, thus reducing manual effort without switching platforms.
- **XDR.** Elastic delivers XDR capabilities by correlating data across endpoints, cloud, network, and user activity, all within the SIEM. Prebuilt rules, machine learning jobs, and AI-driven analytics help detect multi-stage attacks that cross domains. By analyzing native and third-party telemetry together in one interface, Elastic reduces investigation time and eliminates context switching.
- **Endpoint security.** Elastic Security includes endpoint detection and response capabilities integrated directly into the SIEM. These capabilities detect and block ransomware, fileless attacks, and hands-on-keyboard activity, including on isolated hosts. Endpoint data, whether native or from third-party tools, is analyzed alongside other telemetry to provide context and trigger automated response actions across systems.
- **Cloud security.** Elastic provides cloud detection and response capabilities directly within the SIEM, giving security teams visibility into activity across multi-cloud environments. These capabilities combine cloud workload monitoring with posture and vulnerability context. Native telemetry from cloud providers and findings from third-party cloud security posture management tools can be ingested and analyzed together, helping teams connect misconfigurations to real-time threats. This unified view across accounts and providers reduces blind spots and speeds up response to risks in modern cloud environments.
- **Workflows for security.** Elastic Workflows brings native automation directly into Elastic Security, delivering SOAR capabilities without a separate tool. It combines scripted playbooks for defined tasks with AI agents that reason through complex investigations and execute response actions including isolating hosts, querying threat intelligence, and escalating incidents. Workflows for security connects to external systems including Slack, Jira, ServiceNow, and PagerDuty, with representational state transfer ("REST") API support for additional tools, to coordinate response across the security stack.

Community

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

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

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

Competition

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

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

The principal competitive factors for companies in our industry are:

- product capabilities, including speed, scale, and relevance, with which to power search AI experiences;
- an extensible product "stack" that enables developers to build a wide variety of solutions;
- powerful and flexible technology that can manage a broad variety and large volume of data;
- ease of deployment and ease of use;
- ability to address a variety of evolving customer needs and use cases;
- strength and execution of sales and marketing strategies;
- flexible deployment model across public or private clouds, hybrid environments, or multi-cloud environments;
- productized solutions engineered to be rapidly adopted to address specific applications;
- mindshare with developers and IT and security executives;
- adoption of products by many types of users and decision makers (including developers, architects, DevOps personnel, IT professionals, security analysts, and departmental and organizational leaders);
- enterprise-grade technology that is secure and reliable;
- size of customer base and level of user adoption;
- quality of training, consulting, and customer support;
- brand awareness and reputation; and
- low total cost of ownership.

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

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

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

Intellectual Property

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

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

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

For additional information about risks relating to our intellectual property, see the section titled "Risk Factors—Risks Related to our Business and Industry" in Item 1A of this Annual Report on Form 10-K.

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

Distributed Workforce

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

Culture and Values

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

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

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

Total Rewards

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

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

Government Regulations

Our worldwide business activities are subject to various laws, rules, and regulations of the United States as well as of foreign governments. 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 “Item 1A. Risk Factors” in this Annual Report on Form 10-K for a discussion of these potential impacts.

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 Annual Report on Form 10-K and references to our website address in this Annual Report on Form 10-K 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.

We make available, free of charge through our website, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to these reports as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

Item 1A. Risk Factors

A description of the risks and uncertainties associated with our business, industry, and ownership of our ordinary shares is set forth below. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that could adversely affect our business, financial condition, operating results, and prospects.

Risks Related to our Business and Industry

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

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

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

We incurred a net loss of $108.1 million for the year ended April 30, 2025 and have incurred losses in all but two fiscal years since our inception. As a result, we had an accumulated deficit of $732.0 million as of April 30, 2026. Although we had net income of $367.8 million and $61.7 million for the years ended April 30, 2026 and 2024, respectively, we would have incurred net losses in such years as well without the releases of valuation allowances against deferred tax assets and we may incur net losses in future years. Our operating expenses will continue to increase substantially in the foreseeable future as we continue to enhance our offerings, broaden our customer base and pursue larger transactions, expand our sales and marketing activities and other operations, hire additional employees, and continue to develop our technology. These efforts may prove more expensive than we currently expect, and we may not succeed in increasing our revenue sufficiently, or at all, to offset these higher expenses. Revenue growth may slow or revenue may decline because of slowing demand for our offerings, increasing competition, or other factors, including as a result of rising rates of inflation, economic downturns, and other macroeconomic events. You should not consider our revenue growth in prior periods as indicative of our future performance. Any failure by us to continue to increase our revenue and grow our business could prevent us from achieving profitability at all or on a consistent basis.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We believe that we must offer cloud-based products to address the market segment that prefers a cloud-based solution, and that our future success will depend significantly on the growth in adoption of Elastic Cloud, our family of cloud-based offerings. For the years ended April 30, 2026, 2025, and 2024, Elastic Cloud contributed 48%, 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 offerings make up an increasing percentage of our total revenue, we expect to see increased associated cloud-related costs, such as hosting and infrastructure costs, which may adversely impact our gross margins. Demand for cloud-based offerings could decrease for reasons within or outside of our control, including, among other factors, lack of customer acceptance, technological and security challenges with bringing cloud offerings to market and maintaining those offerings, information security, data protection, or privacy incidents, our inability to properly manage and support our cloud-based offerings, competing technologies and products, weakening economic conditions, and decreases in corporate spending. If we are not able to develop, market, or deliver cloud-based offerings that satisfy customer requirements technically or commercially, if our investments in cloud-based offerings do not yield the expected return, or if we are unable to decrease the cost of providing our cloud-based offerings, our business, competitive position, financial condition, and results of operations may be harmed.

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

Our results of operations, including our revenue, cost of revenue, gross margin, operating expenses, cash flows and deferred revenue, have fluctuated from quarter to quarter in the past and may continue to vary significantly in the future so that period-to-period comparisons of our results of operations may not be meaningful. These variations may be further impacted as more of our customers adopt consumption-based arrangements or as customers already on consumption-based arrangements adjust their usage in response to the current macroeconomic environment. These variations may also be impacted by internal reorganizations, including reassignment of personnel to new roles or to new sales territories. Accordingly, our financial results in any one quarter should not be unduly relied upon as indicative of future performance. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control, may be difficult to predict, and may or may not fully reflect the underlying performance of our business. Factors that may cause fluctuations in our quarterly financial results include the risks and uncertainties described in this “Risk Factors” section and elsewhere in this Annual Report on Form 10-K. Fluctuations in our results could cause us to fail to meet the expectations of investors or securities analysts, which could cause the trading price of our ordinary shares to fall substantially and result in costly lawsuits, including securities class action suits against us.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subscription revenue accounts for the substantial majority of our revenue, constituting 94% of our total revenue for the year ended April 30, 2026 and 93% of our 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 for that fiscal quarter and will negatively affect our revenue for future fiscal quarters.

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

We expect our revenue mix to vary over time as a result of a number of factors, any one of which or the cumulative effect of which may result in significant fluctuations in our gross margin and operating results. We expect that revenue from Elastic Cloud, which contributed 48%, 46%, and 43% of our total revenue for the years ended April 30, 2026, 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 or a shortage of qualified personnel, particularly in the technology sector for skilled AI workers. The loss of services of any of our key personnel also increases our dependence on other key personnel who remain with us. Although we have entered into employment offer letters with our key personnel, their employment is for no specific duration and constitutes at-will employment. We are also substantially dependent on the continued service of our existing engineering personnel because of the complexity of our products.

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

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

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

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

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

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

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

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

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

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

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

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

- political and economic instability related to international disputes and conflicts and the related impact on macroeconomic conditions as a result of such conflicts, which may negatively impact our customers, partners, and vendors;
- unexpected changes in regulatory requirements, taxes, trade laws, export quotas, custom duties or other trade restrictions;
- more expansive legal rights of foreign unions and works councils as well as different labor regulations, especially in the European Union, where labor laws are generally more advantageous to employees than in the United States, including hourly wage and overtime regulations in these locations;

- compliance with requirements to hire local employees to perform particular functions, which may not align with the manner in which we would otherwise operate our business;
- exposure to many stringent regulations relating to privacy, data protection, advertising and information security, particularly in the European Union, and potentially inconsistent laws and regulations in these areas across countries;
- changes in a country's or region's political or economic conditions;
- changes in relations between the United States and the European Union, including individual member states, such as the Netherlands;
- risks resulting from changes in currency exchange rates and inflationary pressures;
- risks resulting from the migration of invoicing from local billing entities to centralized regional billing entities;
- the impact of public health epidemics or pandemics on our employees, partners, and customers;
- challenges inherent in efficiently managing an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits, and compliance programs;
- risks relating to enforcement of U.S. export control laws and regulations that include the Export Administration Regulations ("EAR"), trade and economic sanctions, including restrictions promulgated by the Office of Foreign Assets Control ("OFAC"), and other similar trade protection regulations and measures in the United States or in other jurisdictions;
- risks relating to our third-party vendors and service providers' storage and processing of some of our and our customers' data, including any supply chain cybersecurity attacks;
- reduced ability to timely collect amounts owed to us by our customers in countries where our recourse for delinquent payments may be more limited;
- limitations on our ability to reinvest earnings from operations derived from one country to fund the capital needs of our operations in other countries;
- limited or unfavorable intellectual property protection; and
- exposure to liabilities under anti-corruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act of 1977, as amended ("FCPA"), the U.K. Bribery Act of 2010, and similar applicable laws and regulations in other jurisdictions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Our agreements with customers and other third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, misappropriation, or violation, damages caused by us to property or persons, or other liabilities relating to or arising from our software, services or other contractual obligations. To the extent not covered by insurance, large indemnity payments could harm our business, results of operations, and financial condition. Although we normally contractually limit our liability with respect to such indemnity obligations, we may still incur substantial liability related to them. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer, other existing customers and prospective customers and harm our business and results of operations.

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

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

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

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

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

Risks Related to Taxation

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risks Related to Regulatory Matters

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Risks Related to Ownership of our Ordinary Shares

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. The results of these estimates 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.

Risks Related to our Outstanding Senior Notes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

General Risk Factors

We may not benefit from our acquisition strategy.

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

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

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

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

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

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

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

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

As a public company in the United States, we are subject to the Sarbanes-Oxley Act and SEC rules and regulations, which require, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting and financial compliance costs, make some activities more difficult, time consuming and costly, and place significant strain on our personnel, systems and resources.

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

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

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

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

We face rapidly evolving and sophisticated threats, which are further amplified by the maturation of AI capabilities, of breaches of our systems and networks as well as those of our suppliers and third-party service providers. To mitigate this threat to our business, we take a comprehensive approach to cybersecurity and expend corresponding resources on cybersecurity risk management, strategy, and governance.

Risk Management and Strategy

We integrate our policies, standards, processes and practices for assessing, identifying, and managing material risks from cybersecurity threats into our enterprise risk management program, which references aspects of recognized frameworks such as the National Institute of Standards and Technology Cybersecurity Framework and entails assessments against applicable standards such as ISO 27001, SOC 2, PCI, and FedRAMP. Our cybersecurity program encompasses the key elements described below:

Collaboration. We employ a cross-functional, risk-based approach to identify and address anticipated and real-time threats to our cybersecurity. Our internal security, risk, and compliance personnel meet regularly to develop strategies for preserving the confidentiality, integrity and availability of corporate, customer, and other third-party information, identifying, preventing and mitigating cybersecurity threats, and effectively responding to cybersecurity events and incidents. We maintain controls and procedures that are designed to ensure prompt escalation of certain cybersecurity incidents so that decisions regarding public disclosure and reporting of such incidents, if applicable, can be made in a timely manner.

Our in-house global threat research team, Elastic Security Labs, a team of security engineers, practitioners, and researchers, works to identify and prevent emerging threats, using malware reverse engineering, behavior analytics, data science and AI. We use the research generated by Elastic Security Labs and other sources to implement security checks and reviews throughout our product development lifecycle.

Risk Assessment. At least annually, we conduct a cybersecurity risk assessment that takes into account information from our internal security, risk, and compliance functions, known information security vulnerabilities, and information from external sources, including reported security incidents that have affected other companies, industry trends, and evaluations by third parties and consultants. We also conduct risk-based cybersecurity tabletop exercises periodically to test our internal readiness and response planning.

Incident Response and Recovery Planning. Our cybersecurity program includes a dedicated cybersecurity function led by our Chief Information Security Officer ("CISO"). As part of our cybersecurity function, our Distributed Security Response Team ("DSRT") administers a program to monitor, detect, investigate, respond to, and escalate management of internal and external cybersecurity threats and incidents. The DSRT provides threat intelligence information from internal and external resources to our CISO, broader security and resiliency organization, and relevant business units and functional areas as one source within our risk assessment process. Our cybersecurity function partners closely with our Data Privacy organization, led by the Business Integrity Officer, and others within the Legal organization to ensure prompt response on data breach and any other regulatory notification requirements. We have incident response and recovery plans that we test and evaluate for effectiveness in accordance with industry standards.

Third-Party Risk Management. We have implemented controls designed to identify and mitigate cybersecurity threats associated with our use of certain third-party service providers. These providers are subject to security risk assessments, including open-source security review procedures, at the time of onboarding, contract renewal, and upon detection of a significant increase in risk profile. We use a variety of inputs in the risk assessments, including information supplied by providers and third parties. In addition, we require these providers to meet appropriate security requirements, controls and responsibilities, and we investigate security incidents that have impacted our third-party providers.

Education and Awareness. Our policies require each of our employees to contribute to our data security efforts. We regularly reinforce with our employees the importance of handling and protecting customer and employee data, including through mandatory annual privacy, security and responsible AI use training to enhance employee awareness of how to detect and respond to cybersecurity threats. We also perform periodic phishing tests for groups with critical access.

External Assessments. Our cybersecurity program is regularly assessed by consultants and third-party auditors. These assessments include information security maturity evaluations, audits, and independent reviews of our information security control environment and operating effectiveness. The results of significant assessments are reported to management and then summarized for presentation to our Audit Committee and board of directors. We adjust our cybersecurity processes based on these results. We have obtained industry certifications and attestations that demonstrate our dedication to protecting the data our customers entrust to us. Information about such certifications can be found on our website.

Governance

Board Oversight. Our board of directors oversees the Company's risk management process. It has delegated to our Audit Committee the primary responsibility for executing oversight of our cybersecurity risk management processes. In performing this role, the Audit Committee receives regular reports from our CISO and other members of management regarding the prevention, detection, mitigation, and remediation of cybersecurity incidents, including material security risks and information security vulnerabilities. The Audit Committee also considers regular updates from management on our cybersecurity risk profile based on risk assessments, progress of risk reduction initiatives, third-party auditor feedback, control maturity assessments, and relevant internal and industry cybersecurity incidents. The Audit Committee reports quarterly to our board of directors regarding the Audit Committee's activities in overseeing cybersecurity risk management. The Audit Committee generally receives materials, including a cybersecurity scorecard and other materials indicating current and emerging cybersecurity threat risks and describing our ability to mitigate those risks, and discusses such matters with our CISO.

Management's Role. Our cybersecurity program efforts are directed by our CISO who, with the support of the Chief Financial Officer, the Chief Product Officer, and the Chief Legal Officer, has the primary responsibility for assessing and managing material cybersecurity risks. The CISO along with these members of our management, who also have received training and have experience with cybersecurity, acting as a group, drive alignment on security decisions across the Company. The CISO and various members of this group generally meet quarterly with the Audit Committee to review security performance metrics, identify security risks and review mitigation strategies, and assess the status of approved security enhancements. Our CISO has served in various roles in IT, information security and risk management for over 28 years, including serving as the Information Security Officer and Chief Security Officer of multiple companies.

Although our "Risk Factors" section in this report presents information about the material cybersecurity risks we face, we believe that risks from prior cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected our business to date. Notwithstanding our investment in cybersecurity, we may not be successful in identifying a cybersecurity risk or preventing or mitigating a cybersecurity incident or product security vulnerability that could have a material adverse effect on our business, results of operations, or financial condition. Although we maintain cybersecurity insurance, the costs related to cybersecurity incidents may not be fully insured. For a discussion of cybersecurity risks affecting our business, see "Item 1A—Risk Factors—Risks Related to our Business and Industry—If we experience a security incident, or if unauthorized access to or other unauthorized processing of confidential information, including personal data, otherwise occurs, our software may be perceived as not being secure, customers may reduce the use of or stop using our products, and we may incur significant liabilities."

Item 2. Properties

As a distributed company, we employ a distributed workforce with offices and employee hubs around the world. All offices are leased and we do not own any real property. We believe that our current facilities are adequate to meet our current needs and that, if needed in the future, suitable additional space will be available either to expand existing offices or hubs or to open offices or hubs in new locations.

Item 3. Legal Proceedings

The information required by this Item is incorporated herein by reference to Part II, Item 8. "Financial Statements and Supplementary Data," Note 8, "Commitments and Contingencies—Legal Matters" of our accompanying Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K.

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

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Market Information for Ordinary Shares

Our ordinary shares are listed on the NYSE under the trading symbol "ESTC."

Holders of Record

As of May 29, 2026, there were 41 shareholders of record of our ordinary shares. The number of such holders does not include beneficial owners of our ordinary shares that are held of record by brokers and other institutions on behalf of such beneficial owners.

Dividend Policy

We have never declared or paid any cash dividends on our ordinary shares, and we do not anticipate declaring or paying cash dividends in the foreseeable future.

Recent Sales of Unregistered Equity Securities

None.

Issuer Purchases of Equity Securities

The following table presents our share repurchase activity under our authorized share repurchase program for the three months ended April 30, 2026:

	Total Number of Shares Purchased	Average Price Paid Per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Program (2) (in thousands)
February 1, 2026 to February 28, 2026	652,759	$ 61.28	652,759	
March 1, 2026 to March 31, 2026	—	—	—	
April 1, 2026 to April 30, 2026	—	—	—	
Total	652,759	$ 61.28	652,759	$ 160,000

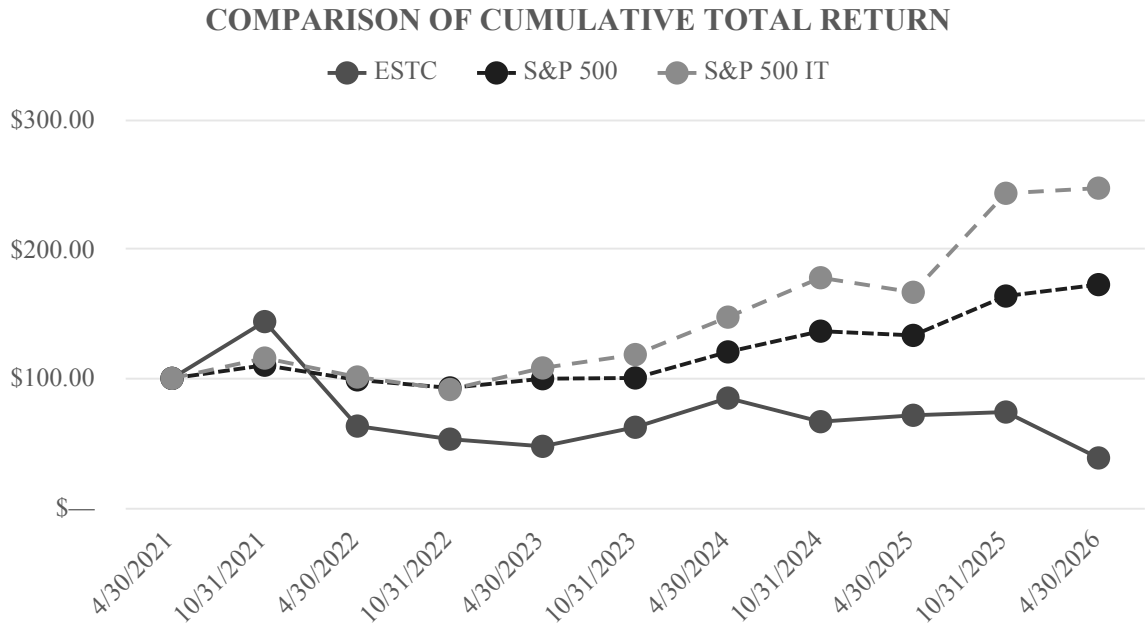
(1) Weighted-average price paid per share excludes transaction costs associated with the repurchases.

(2) In October 2025, our board of directors authorized a share repurchase program of up to $500.0 million of our outstanding ordinary shares. The program has no expiration date. All repurchases during the three months ended April 30, 2026 were made in open market transactions.

Stock Performance Graph

The graph below compares the cumulative total shareholder return on our ordinary shares with the cumulative total return on the S&P 500 Index and the S&P 500 Information Technology Index for our five most recent fiscal years. The graph assumes $100 was invested at the market close on April 30, 2021. Data for the S&P 500 Index and the S&P 500 Information Technology Index assume reinvestment of dividends.

The comparisons in the graph below are based upon historical data and are not indicative of, nor intended to forecast, future performance of our ordinary shares.



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

Item 6. [Reserved]

Item 7. 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 in Part II, Item 8 of this Annual Report on Form 10-K. As discussed in the section titled "Note Regarding Forward-Looking Statements," the following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such difference include, but are not limited to, those identified below and those discussed in the section titled "Risk Factors" included in Part I, Item 1A of this Annual Report on Form 10-K. Our fiscal year end is April 30.

This section of our Annual Report on Form 10-K discusses our financial condition and results of operations for the years ended April 30, 2026, 2025, and 2024, and year-to-year comparisons between the years ended April 30, 2026 and 2025. A discussion of our financial condition and results of operations for the year ended April 30, 2024 and year-to-year comparisons between the years ended April 30, 2025 and 2024 that are not included in this Annual Report on Form 10-K can be found in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended April 30, 2025, filed with the SEC on June 10, 2025.

Overview

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

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

Our platform is able to ingest data from any source, in any format, and perform search, analysis, and visualization of that data. With Elasticsearch at its core, our platform is a highly scalable document store, columnar database, and search engine and is the unified data store for all of our solutions and use cases. Featuring a common, solution-agnostic user interface with an embedded AI agent and support for third-party AI agents, our platform offers powerful drag-and-drop visual analytics, centralized management capabilities, and the world's most downloaded open source vector database, which gives developers a full suite of sophisticated retrieval algorithms and the ability to integrate with LLMs. 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 towards increasingly complex data landscapes, we believe that every company must incorporate search AI capabilities across IT and line-of-business organizations to find the answers that matter from all of its data in real time and at scale.

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

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

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

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

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

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

We have experienced significant growth, with revenue increasing to $1.739 billion for the year ended April 30, 2026 from $1.483 billion for the year ended April 30, 2025 and $1.267 billion for the year ended April 30, 2024, representing year-over-year growth of 17% for the years ended April 30, 2026 and 2025. For the years ended April 30, 2026, 2025, and 2024, revenue from outside the United States accounted for 46%, 44%, and 42% of our total revenue, respectively.

We recorded net income of $367.8 million and $61.7 million for the years ended April 30, 2026 and 2024, respectively, while we incurred a net loss of $108.1 million for the year ended April 30, 2025. Our net cash provided by operating activities was $326.9 million, $266.2 million, and $148.8 million for the years ended April 30, 2026, 2025, and 2024, respectively. We had an accumulated deficit of $732.0 million as of April 30, 2026 due to losses in all but two fiscal years since our inception. 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 4,019 employees as of April 30, 2026.

Current Economic Conditions

Macroeconomic events, including a resurgence in inflation, fluctuations in economic growth, changes in and uncertainty of international trade policies, and geopolitical turmoil, continue to evolve and impact worldwide economic activity. Governmental and corporate responses to these factors, including changing interest rates and unpredictable and decreased spending, will continue to affect the macroeconomic conditions. We have experienced and, if economic conditions remain uncertain or deteriorate, may continue to experience longer and more unpredictable sales cycles, increased scrutiny of prospective sales, slowing consumption and overall customer expenditures, and the impacts of changing foreign exchange rates with a strengthening or weakening U.S. dollar. We continue to closely monitor the macroeconomic environment and its effects on our business and on global economic activity, including customer spending behavior. See "Risk Factors" in Part I, Item 1A of this Annual Report on Form 10-K for a discussion of additional risks.

Recent Developments

On July 4, 2025, OBBBA was enacted into law, introducing significant changes to U.S. federal tax law. The legislation includes provisions that impacted us in the year ended April 30, 2026, and the tax effects of those provisions have been reflected in our benefit from income taxes. Additional provisions become effective in future periods and we are continuing to evaluate their impacts as regulatory guidance and interpretive clarifications emerge. See Note 13, "Income Taxes," of our accompanying Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for additional information.

Key Factors Affecting our Performance

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

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

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

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

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

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

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

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

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

Components of Results of Operations

Revenue

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

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

Cost of Revenue

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

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

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

Operating Expenses

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

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

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

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

Other Income, Net

Interest expense. Interest expense primarily consists of interest on our Senior Notes.

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

(Benefit from) Provision for Income Taxes

(Benefit from) provision for income taxes consists primarily of income taxes related to the Netherlands, U.S. federal and state jurisdictions, 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, BEAT legislation in the United States, and one-time tax benefits, such as the release of a valuation allowance, or charges.

Results of Operations

The following table sets forth our results of operations for the periods presented:

	Year Ended April 30,		
	2026	2025	2024
	(in thousands)		
Revenue			
Subscription	$ 1,634,455	$ 1,384,520	$ 1,176,606
Services	104,876	98,776	90,715
Total revenue	1,739,331	1,483,296	1,267,321
Cost of revenue [1][2]			
Subscription	310,169	282,585	246,285
Services	106,103	97,288	83,794
Total cost of revenue	416,272	379,873	330,079
Gross profit	1,323,059	1,103,423	937,242
Operating expenses [1][2][3]			
Research and development	451,925	365,758	341,951
Sales and marketing	710,188	617,176	559,648
General and administrative	194,422	175,186	160,628
Restructuring and other related charges	—	225	4,917
Total operating expenses	1,356,535	1,158,345	1,067,144
Operating loss [1][2][3]	(33,476)	(54,922)	(129,902)
Other income, net			
Interest expense	(25,142)	(25,307)	(26,132)
Other income, net	56,317	48,660	33,278
Loss before income taxes	(2,301)	(31,569)	(122,756)
(Benefit from) provision for income taxes	(370,067)	76,545	(184,476)
Net income (loss)	$ 367,766	$ (108,114)	$ 61,720

[1] Includes stock-based compensation expense and related employer taxes as follows:

	Year Ended April 30,		
	2026	2025	2024
	(in thousands)		
Cost of revenue			
Subscription	$ 10,710	$ 10,161	$ 9,378
Services	16,793	15,669	13,365
Research and development	116,370	102,180	98,174
Sales and marketing	98,371	90,973	82,023
General and administrative	65,998	50,932	47,519
Total stock-based compensation expense and related employer taxes	$ 308,242	$ 269,915	$ 250,459

[2] Includes amortization of acquired intangible assets as follows:

	Year Ended April 30,		
	2026	2025	2024
	(in thousands)		
Cost of revenue			
Subscription	$ 8,795	$ 9,213	$ 12,353
Sales and marketing	—	—	2,143
Total amortization of acquired intangibles	$ 8,795	$ 9,213	$ 14,496

(3) Includes acquisition-related expenses as follows:

	Year Ended April 30,		
	2026	2025	2024
	(in thousands)		
Research and development	$ 540	$ 76	$ 1,385
General and administrative	1,213	606	1,065
Total acquisition-related expenses	$ 1,753	$ 682	$ 2,450

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

	Year Ended April 30,		
	2026	2025	2024
Revenue			
Subscription	94 %	93 %	93 %
Services	6 %	7 %	7 %
Total revenue	100 %	100 %	100 %
Cost of revenue (1)(2)			
Subscription	18 %	19 %	19 %
Services	6 %	7 %	7 %
Total cost of revenue	24 %	26 %	26 %
Gross profit	76 %	74 %	74 %
Operating expenses (1)(2)(3)			
Research and development	26 %	25 %	27 %
Sales and marketing	41 %	41 %	44 %
General and administrative	11 %	12 %	13 %
Restructuring and other related charges	— %	— %	— %
Total operating expenses	78 %	78 %	84 %
Operating loss (1)(2)(3)	(2)%	(4)%	(10)%
Other income, net			
Interest expense	(1)%	(1)%	(2)%
Other income, net	3 %	3 %	3 %
Loss before income taxes	— %	(2)%	(9)%
(Benefit from) provision for income taxes	(21)%	5 %	(14)%
Net income (loss)	21 %	(7)%	5 %

(1) Includes stock-based compensation expense and related employer taxes as follows:

	Year Ended April 30,		
	2026	2025	2024
Cost of revenue			
Subscription	— %	1 %	1 %
Services	1 %	1 %	1 %
Research and development	7 %	7 %	8 %
Sales and marketing	6 %	6 %	6 %
General and administrative	4 %	3 %	4 %
Total stock-based compensation expense and related employer taxes	18 %	18 %	20 %

(2) Includes amortization of acquired intangible assets as follows:

	Year Ended April 30,		
	2026	2025	2024
Cost of revenue			
Subscription	1 %	1 %	1 %
Sales and marketing	— %	— %	— %
Total amortization of acquired intangibles	1 %	1 %	1 %

(3) Includes acquisition-related expenses as follows:

	Year Ended April 30,		
	2026	2025	2024
Research and development	— %	— %	— %
General and administrative	— %	— %	— %
Total acquisition-related expenses	— %	— %	— %

Comparison of Fiscal Years Ended April 30, 2026 and 2025

Revenue

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

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

Services revenue increased by $6.1 million, or 6%, for the year ended April 30, 2026 compared to the prior year. The increase in services revenue was attributable to increased adoption of our services offerings.

Cost of Revenue and Gross Margin

	Year Ended April 30,		Change	
	2026	2025	$	%
	(in thousands)			
Cost of revenue				
Subscription	$ 310,169	$ 282,585	$ 27,584	10 %
Services	106,103	97,288	8,815	9 %
Total cost of revenue	$ 416,272	$ 379,873	$ 36,399	10 %
Gross profit	$ 1,323,059	$ 1,103,423	$ 219,636	20 %
Gross margin:				
Subscription	81 %	80 %		
Services	(1)%	2 %		
Total gross margin	76 %	74 %		

Cost of subscription revenue increased by $27.6 million, or 10%, for the year ended April 30, 2026 compared to the prior year. This increase was primarily due to an increase of $20.6 million in cloud hosting costs, $4.2 million in personnel and related costs, and $2.0 million in third-party costs. Subscription gross margin increased to 81% for the year ended April 30, 2026 compared to 80% for the prior year primarily due to efficiencies realized in managing our cloud hosting costs relative to revenue growth.

Cost of services revenue increased by $8.8 million, or 9%, for the year ended April 30, 2026 compared to the prior year. This increase was primarily due to increases of $6.0 million in personnel and related costs, $1.8 million in travel expenses, and $1.0 million in miscellaneous other expenses. Gross margin for services revenue was (1)% for the year ended April 30, 2026 compared to 2% for the prior year. The decrease in gross margin was primarily attributable to increases in travel expenses and personnel and related costs. We continue to make investments in our services organization that we believe will be needed to support our continued growth. Our gross margin for services may fluctuate or decline in the near term as we seek to expand our services business.

Operating Expenses

Research and development

	Year Ended April 30,		Change	
	2026	2025	$	%
	(in thousands)			
Research and development	$ 451,925	$ 365,758	$ 86,167	24 %

Research and development expense increased by $86.2 million, or 24%, for the year ended April 30, 2026 compared to the prior year as we continued to invest in the development of new and existing offerings. The increase was primarily due to increases of $64.2 million in personnel and related costs, $8.9 million in cloud hosting costs, $7.1 million in travel expenses, and $4.0 million in software and equipment costs. The increase in personnel and related costs included increases of $39.8 million in salaries and related taxes, $15.2 million in stock-based compensation, and $7.5 million in employee benefits expense.

Sales and marketing

	Year Ended April 30,		Change	
	2026	2025	$	%
	(in thousands)			
Sales and marketing	$ 710,188	$ 617,176	$ 93,012	15 %

Sales and marketing expense increased by $93.0 million, or 15%, for the year ended April 30, 2026 compared to the prior year. The increase was primarily due to increases of $75.6 million in personnel and related costs, $9.5 million in travel expenses, and $4.3 million in marketing expenses. The increase in personnel and related costs included increases of $37.6 million in salaries and related taxes, $17.0 million in commission expense, $10.7 million in employee benefits expense, and $8.2 million in stock-based compensation.

General and administrative

	Year Ended April 30,		Change	
	2026	2025	$	%
	(in thousands)			
General and administrative	$ 194,422	$ 175,186	$ 19,236	11 %

General and administrative expense increased by $19.2 million, or 11%, for the year ended April 30, 2026 compared to the prior year. The increase was primarily due to increases of $19.3 million in personnel and related costs. The increase in personnel and related costs included increases of $15.4 million in stock-based compensation and $3.8 million in salaries and related taxes.

Restructuring and other related charges

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

NM = Not Meaningful

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

Other Income, Net

Interest expense

	Year Ended April 30,		Change	
	2026	2025	$	%
	(in thousands)			
Interest expense	$ (25,142)	$ (25,307)	$ 165	(1)%

Interest expense remained relatively flat for the year ended April 30, 2026 compared to the prior year.

Other income, net

	Year Ended April 30,		Change	
	2026	2025	$	%
	(in thousands)			
Other income, net	$ 56,317	$ 48,660	$ 7,657	16 %

Other income, net increased by $7.7 million, or 16%, for the year ended April 30, 2026 compared to the prior year. The increase was due to increases of $4.8 million in interest and other investment income, primarily from our marketable securities and $2.4 million in net foreign currency exchange gains.

(Benefit from) Provision for Income Taxes

	Year Ended April 30,		Change	
	2026	2025	$	%
	(in thousands)			
(Benefit from) provision for income taxes	$ (370,067)	$ 76,545	$ (446,612)	NM

The benefit from income taxes was $370.1 million for the year ended April 30, 2026 compared to a provision for income taxes of $76.5 million for the prior year. Our effective tax rate for the year ended April 30, 2026 was not meaningful due to near break-even net loss before income taxes. Our effective tax rate for the year ended April 30, 2025 was (242)% of our net loss before income taxes. Our effective tax rate is affected by recurring items, such as tax rates in jurisdictions both within and outside the Netherlands and the relative amounts of income that is earned in those jurisdictions, non-deductible stock-based compensation, BEAT legislation in the United States, and one-time tax benefits or charges. The benefit from income taxes for the year ended April 30, 2026 was driven primarily by the release of valuation allowances against deferred tax assets in the Netherlands, the United Kingdom, and California for $390.5 million, $23.7 million, and $20.7 million, respectively, partially offset by tax expense in jurisdictions where we are not subject to a valuation allowance or NOLs.

We assess the need for a valuation allowance against our deferred tax assets on a quarterly basis. In making that assessment, we consider both positive and negative evidence related to the likelihood of realization of our deferred tax assets to determine, based on the weight of available evidence, whether it is more likely than not that some or all our deferred tax assets will not be realized. As of April 30, 2026, we determined that, based on the weight of all available positive and negative evidence, it is more likely than not that our Netherlands, United Kingdom, and California deferred tax assets will be realizable. The release of the valuation allowance in the Netherlands and California was supported by the implementation of a committed tax planning action in fiscal 2027 that is expected to generate future taxable income in each jurisdiction. The release of the valuation allowance in the United Kingdom was attributable to achieving three years cumulative income during the three months ended April 30, 2026 as well as forecasts of future taxable income. As of April 30, 2026, we have a remaining valuation allowance of $4.2 million related to certain U.S. states and foreign jurisdictions.

Liquidity and Capital Resources

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

We have generated significant operating losses from our operations as reflected in our accumulated deficit of $732.0 million as of April 30, 2026. 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 our strategic initiatives to grow our business.

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

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

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

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

Share Repurchase Program

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

During the year ended April 30, 2026, we repurchased 4.4 million of our outstanding ordinary shares for an aggregate purchase price of $340.0 million, excluding transaction costs associated with the repurchases, at a weighted-average price of $76.91 per share. All repurchases were made in open market transactions. As of April 30, 2026, $160.0 million remained available for future repurchases under the Share Repurchase Program. See Note 10, "Ordinary Shares," to our accompanying Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K for additional details.

Cash Flows

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

	Year Ended April 30,		
	2026	2025	2024
	(in thousands)		
Net cash provided by operating activities	$ 326,894	$ 266,168	$ 148,762
Net cash provided by (used in) investing activities	$ 26,071	$ (118,668)	$ (287,960)
Net cash (used in) provided by financing activities	$ (312,269)	$ 40,947	$ 40,054

Net Cash Provided By Operating Activities

Net cash provided by operating activities during the year ended April 30, 2026 was $326.9 million, which resulted from adjustments for non-cash charges of $30.2 million and net income of $367.8 million, partially offset by a net cash outflow of $71.1 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of $298.4 million for stock-based compensation expense, $111.1 million for amortization of deferred contract acquisition costs, and $11.8 million for depreciation and intangible asset amortization expense, partially offset by $398.6 million in deferred income taxes. The net cash outflow from changes in operating assets and liabilities resulted from a $163.7 million increase in deferred contract acquisition costs as our sales commissions increased due to increased business volume, a $86.8 million increase in accounts receivable, net, a $9.8 million decrease in operating lease liabilities, and a $6.7 million net increase in prepaid expenses and other assets. These outflows were partially offset by inflows from a $168.6 million increase in deferred revenue and a $27.3 million net increase in accounts payable, accrued expenses, and accrued compensation and benefits.

Net cash provided by operating activities during the year ended April 30, 2025 was $266.2 million, which resulted from adjustments for non-cash charges of $430.4 million, partially offset by net loss of $108.1 million and a net cash outflow of $56.2 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of $257.8 million for stock-based compensation expense, $96.7 million for amortization of deferred contract acquisition costs, $57.4 million in deferred income taxes, and $12.3 million of depreciation and intangible asset amortization expense. The net cash outflow from changes in operating assets and liabilities resulted from a $106.7 million increase in deferred contract acquisition costs as our sales commissions increased due to increased business volume, a $48.9 million increase in accounts receivable, net, a $36.1 million increase in prepaid expenses and other assets, and a $11.9 million decrease in operating lease liabilities. These outflows were partially offset by inflows from a $147.1 million increase in deferred revenue.

Net Cash Provided By (Used In) Investing Activities

Net cash provided by investing activities of $26.1 million during the year ended April 30, 2026 was primarily due to sales, maturities, and redemptions of marketable securities of $597.4 million, partially offset by purchases of marketable securities of $528.9 million, cash paid for business acquisitions, net of cash acquired, of $36.8 million, and purchases of property and equipment of $5.1 million.

Net cash used in investing activities of $118.7 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.

Net Cash (Used In) Provided By Financing Activities

Net cash used in financing activities of $312.3 million during the year ended April 30, 2026 was due to repurchases of ordinary shares of $340.1 million, partially offset by proceeds from stock option exercises and ESPP purchases of $27.8 million.

Net cash provided by financing activities of $40.9 million during the year ended April 30, 2025 was due to proceeds from stock option exercises and ESPP purchases.

Contractual Obligations and Commitments

Our principal commitments consist of our purchase obligations under non-cancelable agreements primarily for cloud hosting, subscription software, sales and marketing, and general corporate services, future non-cancelable minimum rental payments under operating leases for our offices, and interest payments due on our Senior Notes. As of April 30, 2026, we had purchase commitments of $613.6 million related to cloud hosting services, future minimum lease payment commitments of $24.2 million, and purchase commitments of $96.0 million related to other contracts. See Note 8, "Commitments and Contingencies," and Note 9, "Leases," of our accompanying Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information.

In July 2021, we 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. See Note 7, "Senior Notes," of our accompanying Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information.

As of April 30, 2026, we had $1.6 million in letters of credit outstanding in favor of certain landlords for office space. These letters of credit expire on various dates through 2028, with some of these obligations renewing annually.

Our contractual commitment amounts are associated with agreements that are enforceable and legally binding and do not include obligations under contracts that we can cancel without a significant penalty. Purchase orders issued in the ordinary course of business are also excluded, as our purchase orders represent authorizations to purchase rather than binding agreements.

We have 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, we cannot reasonably estimate the timing of such payments. We believe that these matters will likely not be resolved in the next 12 months and, accordingly, we have classified the estimated liability as non-current in the consolidated balance sheets. See Note 13, "Income Taxes," of our accompanying Notes to our Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information.

Critical Accounting Policies and Estimates

In preparing our consolidated financial statements in accordance with U.S. GAAP, we are required to make estimates, assumptions, and judgments that affect the amounts reported on our financial statements and the accompanying disclosures. Estimates and assumptions about future events and their effects cannot be determined with certainty and, therefore, require the exercise of judgment. We base our estimates, assumptions, and judgments on historical experience and various other factors that we believe to be reasonable under the circumstances. These estimates may change in future periods and will be recognized in the consolidated financial statements as new events occur and additional information becomes known. Actual results could differ from those estimates, and any such differences may be material to our financial statements. We believe that the critical accounting policies and estimates set forth below involve a higher degree of judgment and complexity in their application than our other significant accounting policies.

Accounting policies that have a significant impact on our results are described in Note 2 "Summary of Significant Accounting Policies" to our accompanying Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K. The accounting policies discussed in this section are those that we consider to involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

Due to current macroeconomic developments and conditions, estimates and assumptions about future events and their effects cannot be determined with certainty and, therefore, require increased judgment. These estimates and assumptions may change in future periods and will be recognized in the consolidated financial statements as new events occur and additional information becomes known. To the extent our actual results differ materially from those estimates and assumptions, our future financial statements could be affected.

Revenue Recognition

Our contracts with customers include varying terms and conditions, and identifying and evaluating the impact of these terms and conditions on revenue recognition requires significant judgment. We apply judgment in determining the customer's ability and intent to pay, which is based on a variety of factors, including the customer's historical payment experience or, in the case of a new customer, the customer's credit, reputation, and financial or other pertinent information. At contract inception, we evaluate whether two or more contracts should be combined and accounted for as a single contract and whether the combined or single contract includes more than one performance obligation. We have concluded that our contracts with customers generally do not contain warranties that give rise to a separate performance obligation.

Our contracts often contain multiple performance obligations. For these contracts, we account for individual performance obligations separately if they are distinct. We apply significant judgment in identifying and accounting for each performance obligation based on our evaluation of the terms and conditions in contracts. The transaction price is allocated to the separate performance obligations on a relative standalone selling price ("SSP") basis. We determine the SSP based on the prices at which we separately sell these products assuming the majority of such prices fall within a pricing range. For instances in which the SSP is not directly observable, such as when 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. Individual products and services typically have more than one SSP due to the stratification of such products and services by quantity, subscription term, sales channel, and other circumstances. If one of the performance obligations is outside of the SSP range, we allocate the transaction price considering the midpoint of the SSP range. We also consider whether there are any material rights inherent in a contract and, if so, we allocate a portion of the transaction price to such rights based on the relative SSP.

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. We determine 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.

Our sales commissions plan incorporates different commission rates for contracts with new customers and incremental sales to existing customers, and for subsequent subscription renewals. 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. We determine the period of benefit for commissions paid for contracts with new customers and incremental sales to existing customers by taking into consideration its initial estimated customer life and the technological life of its software and related significant features. Commissions paid on services are typically amortized in accordance with the associated revenue as the commissions paid on new and renewal services are commensurate with each other. Amortization of deferred contract acquisition costs is recognized in sales and marketing expense in the consolidated statements of operations.

Acquired Intangible Assets

We apply significant judgment in determining the fair value of intangible assets acquired, which involves the use of significant estimates and assumptions. These estimates can include, but are not limited to, future expected cash flows from acquired customers and acquired technology from a market participant perspective, costs to rebuild developed technology, useful lives, and discount rates. While we use our best estimates and judgments, our estimates are inherently uncertain.

Income Taxes

Deferred income tax balances reflect the effects of temporary differences between the financial reporting and tax bases of our assets and liabilities using enacted tax rates expected to apply when taxes are actually paid or recovered. In addition, deferred tax assets are recorded for NOL and credit carryforwards.

A valuation allowance is provided against deferred tax assets unless it is more likely than not that they will be realized based on all available positive and negative evidence. Such evidence, which requires management's judgment, includes, but is not limited to, recent cumulative earnings or losses, expectations of future taxable income by taxing jurisdiction, and the carry-forward periods available for the utilization of deferred tax assets. To the extent sufficient positive evidence becomes available, we may release all or a portion of our valuation allowance in one or more future periods.

Future valuation allowance releases, if any, would result in the recognition of certain deferred tax assets which may include an immaterial income tax benefit for the period in which such release is recorded. See Note 13, “Income Taxes” of our accompanying Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

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

Interest Rate Risk

We had cash, cash equivalents, restricted cash, and marketable securities totaling $1.372 billion as of April 30, 2026. Our cash, cash equivalents, and restricted cash are held in cash deposits and money market funds, and our marketable securities are held in time deposits and corporate and government debt securities. The primary objectives of our investment activities are the preservation of capital, the fulfillment of liquidity needs, and the fiduciary control of cash and investments. We do not enter into investments for trading or speculative purposes. Due to the short-term nature of these instruments, we do not believe that an immediate 10% increase or decrease in interest rates would have a material effect on the fair value of our investment portfolio. Declines in interest rates, however, would reduce our future interest income.

In July 2021, we issued $575.0 million aggregate principal amount of 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 our fixed interest rate Senior Notes will increase as interest rates fall and decrease as interest rates rise. Although the interest rate and market value changes affect the fair value of the Senior Notes, they do not impact our financial position, cash flows, or results of operations due to the fixed nature of the debt obligation. Additionally, we carry the Senior Notes at face value less unamortized debt issuance cost on our balance sheet, and we present the fair value for required disclosure purposes only.

Foreign Currency Risk

Our 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, 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 were to become more significant. For business conducted outside of the United States, we may have both revenue and costs incurred in the local currency of the subsidiary, creating a partial natural hedge. Although changes to exchange rates have not had a material impact on our net operating results to date, we will continue to reassess our foreign exchange exposure as we continue to grow our business globally.

We have experienced, and will continue to experience, fluctuations in our 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 our revenue, operating expenses, and net income (loss). As a component of other income, net, we recognized foreign currency transaction losses of $2.1 million, $2.5 million, and $3.4 million for the years ended April 30, 2026, 2025, and 2024, respectively.

As of April 30, 2026, our cash, cash equivalents, restricted cash, and marketable securities were primarily denominated in U.S. dollars, Euros, and British Pound Sterling. A 10% increase or decrease in exchange rates as of such date would have had an impact of approximately $10.8 million on our cash, cash equivalents, restricted cash, and marketable securities balances.

Item 8. Financial Statements and Supplementary Data

The following financial statements are filed as part of this Annual Report on Form 10-K:

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Elastic N.V.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Elastic N.V. and its subsidiaries (the "Company") as of April 30, 2026 and 2025, and the related consolidated statements of operations, of comprehensive income (loss), of shareholders' equity and of cash flows for each of the three years in the period ended April 30, 2026, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of April 30, 2026, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of April 30, 2026 and 2025, and the results of its operations and its cash flows for each of the three years in the period ended April 30, 2026 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of April 30, 2026, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

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

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

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

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Critical Audit Matters

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

Revenue Recognition – Identification and Evaluation of Terms and Conditions in Contracts

As described in Note 2 to the consolidated financial statements, management applies the following steps in their determination of revenue to be recognized: (i) identification of the contract with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when the Company satisfies each performance obligation. The Company'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 April 30, 2026, the Company's revenue was $1,739 million.

The principal considerations for our determination that performing procedures relating to revenue recognition, specifically the identification and evaluation of terms and conditions in contracts, is a critical audit matter are 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 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.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process, including controls related to the identification and evaluation of terms and conditions in contracts that impact revenue recognition. These procedures also included (i) 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 (ii) assessing the terms and conditions of the contract including their impact on revenue recognition.

/s/ PricewaterhouseCoopers LLP

San Jose, California
June 8, 2026

We have served as the Company's auditor since 2018.

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

	As of April 30,	
	2026	2025
Assets		
Current assets:		
Cash and cash equivalents	$ 768,725	$ 727,543
Restricted cash	1,773	3,671
Marketable securities	601,537	669,717
Accounts receivable, net of allowance for credit losses of $6,847 and $5,510 as of April 30, 2026 and 2025, respectively	464,413	375,613
Deferred contract acquisition costs	106,447	86,205
Prepaid expenses and other current assets	80,368	68,258
Total current assets	2,023,263	1,931,007
Property and equipment, net	8,591	6,589
Goodwill	356,442	319,417
Operating lease right-of-use assets	18,641	22,334
Intangible assets, net	13,059	11,404
Deferred contract acquisition costs, non-current	150,989	117,762
Deferred tax assets	567,278	168,045
Other assets	14,413	16,295
Total assets	$ 3,152,676	$ 2,592,853
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 8,618	$ 17,150
Accrued expenses and other liabilities	96,713	86,347
Accrued compensation and benefits	119,231	93,714
Operating lease liabilities	6,539	8,928
Deferred revenue	973,820	802,117
Total current liabilities	1,204,921	1,008,256
Deferred revenue, non-current	52,502	50,340
Long-term debt, net	570,895	569,729
Operating lease liabilities, non-current	14,129	16,357
Other liabilities, non-current	33,729	20,937
Total liabilities	1,876,176	1,665,619
Commitments and contingencies (Notes 8 and 9)		
Shareholders' equity:		
Preference shares, €0.01 par value; 165,000,000 shares authorized; no shares issued or outstanding as of April 30, 2026 and 2025	—	—
Ordinary shares, €0.01 par value; 165,000,000 shares authorized; 108,360,340 shares issued and 104,751,470 shares outstanding as of April 30, 2026; 105,534,887 shares issued and outstanding as of April 30, 2025	1,154	1,112
Treasury stock, at cost; 3,608,870 shares held as of April 30, 2026; 35,937 shares held as of April 30, 2025	(275,695)	(369)
Additional paid-in capital	2,310,866	2,049,416
Accumulated other comprehensive loss	(27,870)	(23,204)
Accumulated deficit	(731,955)	(1,099,721)
Total shareholders' equity	1,276,500	927,234
Total liabilities and shareholders' equity	$ 3,152,676	$ 2,592,853

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

Elastic N.V.
Consolidated Statements of Operations
(in thousands, except share and per share data)

	Year Ended April 30,		
	2026	2025	2024
Revenue			
Subscription	$ 1,634,455	$ 1,384,520	$ 1,176,606
Services	104,876	98,776	90,715
Total revenue	1,739,331	1,483,296	1,267,321
Cost of revenue			
Subscription	310,169	282,585	246,285
Services	106,103	97,288	83,794
Total cost of revenue	416,272	379,873	330,079
Gross profit	1,323,059	1,103,423	937,242
Operating expenses			
Research and development	451,925	365,758	341,951
Sales and marketing	710,188	617,176	559,648
General and administrative	194,422	175,186	160,628
Restructuring and other related charges	—	225	4,917
Total operating expenses	1,356,535	1,158,345	1,067,144
Operating loss	(33,476)	(54,922)	(129,902)
Other income, net			
Interest expense	(25,142)	(25,307)	(26,132)
Other income, net	56,317	48,660	33,278
Loss before income taxes	(2,301)	(31,569)	(122,756)
(Benefit from) provision for income taxes	(370,067)	76,545	(184,476)
Net income (loss)	$ 367,766	$ (108,114)	$ 61,720
Net earnings (loss) per share attributable to ordinary shareholders			
Basic	$ 3.49	$ (1.04)	$ 0.62
Diluted	$ 3.43	$ (1.04)	$ 0.59
Weighted-average shares used to compute net earnings (loss) per share attributable to ordinary shareholders			
Basic	105,335,440	103,661,704	99,646,231
Diluted	107,220,768	103,661,704	103,980,132

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

Elastic N.V.
Consolidated Statements of Comprehensive Income (Loss)
(in thousands)

	Year Ended April 30,		
	2026	2025	2024
Net income (loss)	$ 367,766	$ (108,114)	$ 61,720
Other comprehensive loss:			
Unrealized (loss) gain on available-for-sale securities, net of taxes	(2,109)	3,995	(1,728)
Foreign currency translation adjustments	(2,557)	(5,561)	105
Other comprehensive loss	(4,666)	(1,566)	(1,623)
Total comprehensive income (loss)	$ 363,100	$ (109,680)	$ 60,097

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

Elastic N.V.
Consolidated Statements of Shareholders' Equity
(in thousands, except share data)

	Ordinary Shares		Treasury Shares		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity
	Shares Outstanding	Amount	Shares	Amount				
Balances as of April 30, 2023	97,366,947	$ 1,024	35,937	$ (369)	$ 1,471,584	$ (20,015)	$ (1,053,327)	$ 398,897
Issuance of ordinary shares upon exercise of stock options	1,292,375	14	—	—	20,905	—	—	20,919
Issuance of ordinary shares upon release of restricted stock units	2,701,448	28	—	—	(28)	—	—	—
Issuance of ordinary shares under employee stock purchase plan	345,165	4	—	—	19,131	—	—	19,135
Stock-based compensation	—	—	—	—	239,137	—	—	239,137
Net income	—	—	—	—	—	—	61,720	61,720
Other comprehensive loss	—	—	—	—	—	(1,623)	—	(1,623)
Balances as of April 30, 2024	101,705,935	1,070	35,937	(369)	1,750,729	(21,638)	(991,607)	738,185
Issuance of ordinary shares upon exercise of stock options	791,874	9	—	—	17,845	—	—	17,854
Issuance of ordinary shares upon release of restricted stock units	2,672,842	29	—	—	(29)	—	—	—
Issuance of ordinary shares under employee stock purchase plan	364,236	4	—	—	23,089	—	—	23,093
Stock-based compensation	—	—	—	—	257,782	—	—	257,782
Net loss	—	—	—	—	—	—	(108,114)	(108,114)
Other comprehensive loss	—	—	—	—	—	(1,566)	—	(1,566)
Balances as of April 30, 2025	105,534,887	1,112	35,937	(369)	2,049,416	(23,204)	(1,099,721)	927,234
Issuance of ordinary shares upon exercise of stock options	218,707	3	—	—	2,801	—	—	2,804
Issuance of ordinary shares upon release of restricted stock units	2,108,706	24	—	—	(24)	—	—	—
Issuance of ordinary shares under employee stock purchase plan	462,103	5	—	—	25,010	—	—	25,015
Reissuance of treasury shares upon release of restricted stock units	847,733	10	(847,733)	64,762	(64,772)	—	—	—
Repurchases of ordinary shares	(4,420,666)	—	4,420,666	(340,088)	—	—	—	(340,088)
Stock-based compensation	—	—	—	—	298,435	—	—	298,435
Net income	—	—	—	—	—	—	367,766	367,766
Other comprehensive loss	—	—	—	—	—	(4,666)	—	(4,666)
Balances as of April 30, 2026	104,751,470	$ 1,154	3,608,870	$ (275,695)	$ 2,310,866	$ (27,870)	$ (731,955)	$ 1,276,500

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

Elastic N.V.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended April 30,		
	2026	2025	2024
Cash flows from operating activities			
Net income (loss)	$ 367,766	$ (108,114)	$ 61,720
Adjustments to reconcile net income (loss) to cash provided by operating activities:			
Depreciation and amortization	11,834	12,315	17,999
Amortization of premium and accretion of discount on marketable securities, net	(3,428)	(7,186)	(8,808)
Amortization of deferred contract acquisition costs	111,112	96,688	78,549
Amortization of debt issuance costs	1,166	1,117	1,069
Non-cash operating lease cost	8,870	10,040	11,010
Stock-based compensation expense	298,435	257,782	239,137
Deferred income taxes	(398,617)	57,431	(217,195)
Unrealized foreign currency transaction loss	790	2,211	1,930
Other	71	39	(34)
Changes in operating assets and liabilities, net of impact of business acquisitions:			
Accounts receivable, net	(86,840)	(48,903)	(63,519)
Deferred contract acquisition costs	(163,717)	(106,691)	(119,834)
Prepaid expenses and other current assets	(11,664)	(25,320)	(2,875)
Other assets	4,975	(10,794)	1,906
Accounts payable	(8,968)	(8,952)	(9,998)
Accrued expenses and other liabilities	11,213	9,845	18,144
Accrued compensation and benefits	25,043	(546)	17,357
Operating lease liabilities	(9,767)	(11,906)	(12,391)
Deferred revenue	168,620	147,112	134,595
Net cash provided by operating activities	326,894	266,168	148,762
Cash flows from investing activities			
Purchases of property and equipment	(5,092)	(4,345)	(3,450)
Business acquisitions, net of cash acquired	(36,828)	—	(19,100)
Purchases of marketable securities	(528,885)	(549,574)	(536,833)
Sales, maturities, and redemptions of marketable securities	597,397	435,251	271,423
Other	(521)	—	—
Net cash provided by (used in) investing activities	26,071	(118,668)	(287,960)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares under employee stock purchase plan	25,015	23,093	19,135
Proceeds from issuance of ordinary shares upon exercise of stock options	2,804	17,854	20,919
Repurchases of ordinary shares	(340,088)	—	—
Net cash (used in) provided by financing activities	(312,269)	40,947	40,054
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(1,412)	(322)	(4,407)
Net increase (decrease) in cash, cash equivalents, and restricted cash	39,284	188,125	(103,551)
Cash, cash equivalents, and restricted cash, beginning of period	731,214	543,089	646,640
Cash, cash equivalents, and restricted cash, end of period	$ 770,498	$ 731,214	$ 543,089
Supplemental disclosures of cash flow information			
Cash paid for interest	$ 23,976	$ 24,191	$ 25,063
Cash paid for income taxes, net	$ 28,011	$ 21,994	$ 24,219
Cash paid for operating lease liabilities	$ 10,571	$ 13,127	$ 14,000
Supplemental disclosures of non-cash investing and financing information			
Property and equipment included in accounts payable	$ 294	$ 305	$ 398
Operating lease right-of-use assets for new lease obligations	$ 5,142	$ 11,771	$ 11,539
Acquisition-related indemnity holdback	$ 8,343	$ —	$ 3,000

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

Elastic N.V.

Notes to Consolidated Financial Statements

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1. Organization and Description of Business

Elastic N.V. (individually and together with its consolidated subsidiaries, "Elastic" or the "Company") was incorporated under the laws of the Netherlands in 2012. The Company created the Elasticsearch Platform, a powerful set of software products that ingest and store data from any source and in any format, and perform search, analysis, and visualization on that data. Developers build on top of the Company's platform to apply the power of search to their data and solve business problems. The Company offers three software solutions built into its platform: Search & AI, Elastic Observability, and Elastic Security. The Company's platform and its solutions are designed to run across hybrid clouds, public or private clouds, and multi-cloud environments.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with U.S. GAAP and include the financial statements of the Company and its wholly-owned subsidiaries. All intercompany transactions and accounts have been eliminated in consolidation.

Fiscal Year

The Company's fiscal year ends on April 30. References to fiscal 2026, for example, refer to the fiscal year ended April 30, 2026.

Use of Estimates and Judgments

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions include, but are not limited to, the 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, discount rate used for operating leases, and valuation allowances for deferred income taxes. The Company bases these estimates on historical and anticipated results, trends, and various other assumptions that it believes are reasonable under the circumstances, including assumptions as to future events.

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

Foreign Currency

The reporting currency of the Company is the U.S. dollar. The Company determines the functional currency of each subsidiary in accordance with ASC 830, *Foreign Currency Matters,* based on the currency of the primary economic environment in which each subsidiary operates. Items included in the financial statements of such subsidiaries are measured using that functional currency. The Company periodically reassesses 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.

For the subsidiaries where the U.S. dollar is the functional currency, foreign currency denominated monetary assets and liabilities are remeasured into U.S. dollars at current exchange rates and foreign currency denominated non-monetary assets and liabilities are remeasured into U.S. dollars at historical exchange rates. Gains or losses from foreign currency remeasurement and settlements are included in other income, net in the consolidated statements of operations. For the years ended April 30, 2026, 2025, and 2024, the Company recognized remeasurement losses of $2.1 million, $2.5 million, and $3.4 million, respectively.

For subsidiaries where the functional currency is other than the U.S. dollar, the Company uses the period-end exchange rates to translate assets and liabilities, the average monthly exchange rates to translate revenue and expenses, and historical exchange rates to translate shareholders' equity into U.S. dollars. The Company records foreign currency translation gains and losses in accumulated other comprehensive loss as a component of shareholders' equity in the consolidated balance sheets.

Other Comprehensive Loss

The Company's other comprehensive loss includes net income (loss), unrealized (loss) gain on available-for-sale securities, net of taxes, and foreign currency translation adjustments.

Cash, Cash Equivalents, and Restricted Cash

The Company considers all highly liquid investments, including money market funds with an original maturity of three months or less at the date of purchase, to be cash equivalents. The carrying amount of the Company's cash equivalents approximates fair value due to the short maturities of these instruments. The Company's restricted cash consists primarily of cash deposits with financial institutions in support of letters of credit in favor of certain landlords for non-cancelable lease agreements.

Cash, cash equivalents, and restricted cash as reported in the Company's consolidated statements of cash flows includes the aggregate amounts of cash and cash equivalents and the restricted cash as shown on the consolidated balance sheets. Cash, cash equivalents, and restricted cash as reported in the Company's consolidated statements of cash flows consists of the following (in thousands):

	As of April 30,	
	2026	2025
Cash and cash equivalents	$ 768,725	$ 727,543
Restricted cash	1,773	3,671
Cash, cash equivalents, and restricted cash	$ 770,498	$ 731,214

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 available-for-sale debt securities as the Company may sell these securities at any time for use in its current operations or for other purposes, including prior to maturity. As a result, the Company has classified its marketable securities within current assets on the consolidated balance sheets.

Available-for-sale debt securities are recorded at fair value each reporting period. Premiums and discounts are amortized or accreted over the life of the related available-for-sale debt security as an adjustment to yield using the effective interest method. Interest income is recognized when earned. Unrealized gains and losses on these marketable securities are reported as a separate component of accumulated other comprehensive loss until realized. Realized gains and losses are determined based on the specific identification method and are reported in other income, net in the consolidated statements of operations.

For available-for-debt securities in an unrealized loss position, the Company first assesses whether it intends to sell the security or it is more likely than not that the Company will be required to sell the security before the recovery of its entire amortized cost basis. If either of these criteria is met, the security's amortized cost basis is written down to fair value through other income, net in the consolidated statements of operations. If neither of these criteria are met, the Company evaluates whether the decline in fair value below amortized cost is due to credit or non-credit-related factors. In making this assessment, the Company considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and any adverse conditions specifically related to the security, among other factors. Credit-related unrealized losses are recognized as an allowance for expected credit losses of available-for-sale securities on the consolidated balance sheets with a corresponding charge in other income, net in the consolidated statements of operations. Non-credit-related unrealized losses are included in accumulated other comprehensive loss.

Fair Value of Financial Instruments

The Company follows ASC 820, *Fair Value Measurements and Disclosures,* 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.

The Company's financial instruments consist of cash equivalents, marketable securities, mutual fund investments held in a rabbi trust, accounts receivable, accounts payable, and accrued liabilities. Cash equivalents are stated at amortized cost, which approximates fair value at the balance sheet dates due to the short period of time to maturity. Marketable securities and mutual fund investments are recorded at fair value. Accounts receivable, accounts payable, and accrued liabilities are stated at their carrying value, which approximates fair value due to the short time to the expected receipt or payment date.

Concentration of Credit Risk

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

The Company extends credit to customers in the normal course of business. The Company performs credit analyses and monitors the financial health of its customers to reduce credit risk. 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.

Accounts Receivable, Unbilled Accounts Receivable, and Allowance for Credit Losses

Accounts receivable primarily consists of amounts billed currently due from customers. The Company's accounts receivable are subject to collection risk. Gross accounts receivable are reduced for this risk by an allowance for credit losses. This allowance is for estimated losses resulting from the inability of the Company's customers to make required payments. The Company determines the need for an allowance for credit losses based on various factors, including past collection experience, credit quality of the customer, age of the receivable balance, and current economic conditions, as well as specific circumstances arising with individual customers. Accounts receivables are written off against the allowance when management determines a balance is uncollectible and the Company no longer actively pursues collection of the receivable. The Company does not typically offer a right of refund in its contracts. The allowance for credit losses reflects the Company's best estimate of probable losses inherent in the Company's receivables portfolio. Unbilled accounts receivable represents amounts for which the Company has recognized revenue, pursuant to the Company's revenue recognition policy for fulfilled obligations not yet billed.

Capitalized Software Development and Implementation Costs

Software development costs for software to be sold, leased, or otherwise marketed are expensed as incurred until the establishment of technological feasibility, at which time those costs are capitalized until the product is available for general release to customers and amortized over the estimated life of the product. Technological feasibility is established upon the completion of a working prototype that has been certified as having no critical bugs and is a release candidate. To date, costs 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 statements of operations.

Costs related to software acquired, developed, or modified solely to meet the Company's internal requirements, with no substantive plans to market such software at the time of development, and costs related to the development of web-based product are capitalized during the application development stage. Costs incurred during the preliminary planning and evaluation stage of the project and during the post-implementation operational stage are expensed as incurred. Costs incurred during the application development stage of the project are capitalized.

The Company also capitalizes qualifying implementation costs incurred in a hosting arrangement that is a service contract. These costs are amortized on a straight-line basis over the expected life of the service contract, including consideration of the reasonably certain renewal periods, and are presented in the same income statement line-items as the service for the related hosting arrangement. The Company did not capitalize any costs during the years ended April 30, 2026 and 2025. All previously capitalized costs are recorded in other assets, non-current on the consolidated balance sheets.

Property and Equipment

Property and equipment are recorded at cost and depreciated over their estimated useful lives using the straight-line method. Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation are removed from the financial statements and any resulting gain or loss is reflected within the consolidated statements of operations. There was no material gain or loss incurred as a result of retirement or sale in the periods presented. Repair and maintenance costs are expensed as incurred.

Leases

Leases arise from contractual obligations that convey the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. The Company determines whether an arrangement is or contains a lease at inception, based on whether there is an identified asset and whether the Company controls the use of the identified asset throughout the period of use. At the lease commencement date, the Company determines the lease classification between finance and operating, and recognizes a right-of-use asset and corresponding lease liability for each lease component. A right-of-use asset represents the Company's right to use an underlying asset and a lease liability represents the Company's obligation to make payments during the lease term. The operating lease right-of-use asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The Company accounts for lease components and non-lease components as a single lease component. Leases with an initial term of twelve months or less are classified as short-term leases and, therefore, are not recognized on the consolidated balance sheets and are expensed on a straight-line basis within the consolidated statements of operations.

The lease liability is initially measured as the present value of the remaining lease payments over the lease term. The discount rate used to determine the present value is the Company's incremental borrowing rate, unless the interest rate implicit in the lease is readily determinable. The Company estimates its incremental borrowing rate based on the information available at the lease commencement date for borrowings with a similar term. The right-of-use asset is initially measured as the present value of the lease payments, adjusted for initial direct costs, prepaid lease payments to lessors, and lease incentives.

Acquisitions

When the Company acquires a business, the Company allocates the purchase price, which is the sum of the elements of consideration provided and may consist of cash, equity, or a combination of the two, in a business combination to the identifiable assets and liabilities of the acquired business at their estimated respective fair values. The Company recognizes and measures contract assets and contract liabilities acquired in a business combination on the acquisition date in accordance with ASC 606, *Revenue from Contracts with Customers.* The excess of the purchase price over the amount allocated to the identifiable assets and liabilities, if any, is recorded as goodwill. Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates including, but not limited to, the selection of valuation methodologies, estimates of future revenue and cash flows, costs to rebuild developed technology, discount rates, and selection of comparable companies. The Company's estimates of fair value are based on assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, the Company may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to other income, net in the consolidated statements of operations.

When the Company issues stock-based or cash awards to an acquired company's shareholders, the Company 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.

Acquisition-related transaction costs incurred by the Company are not included as a component of consideration transferred but, rather, are accounted for as an operating expense in the period in which the costs are incurred.

The results of businesses acquired in a business combination are included in the Company's consolidated financial statements from the date of acquisition.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in business combinations accounted for using the acquisition method. Goodwill is not amortized. The Company tests goodwill for impairment at least annually, in the fourth quarter of each year, or more frequently if events or changes in circumstances indicate that goodwill may be impaired. For the purposes of impairment testing, the Company has determined that it has one operating segment and one reporting unit. The Company's test of goodwill impairment starts with a qualitative assessment to determine whether it is necessary to perform a quantitative goodwill impairment test. If qualitative factors indicate that the fair value of the reporting unit is more likely than not less than its carrying amount, then a quantitative goodwill impairment test is performed. For the quantitative analysis, the Company compares the fair value of its reporting unit to its carrying value. If the estimated fair value exceeds book value, goodwill is considered not to be impaired and no additional steps are necessary. However, if the fair value of the reporting unit is less than book value, then goodwill will be impaired by the amount that the carrying amount exceeds the implied fair value. There was no impairment of goodwill recorded for the years ended April 30, 2026, 2025, and 2024.

Acquired Intangible Assets

Acquired amortizable intangible assets are amortized on a straight-line basis over the estimated useful lives of the assets.

	Useful life (in years)
Developed technology	2-5
Customer relationships	4
Trade names	4

Impairment of Long-Lived Assets

The Company evaluates the recoverability of long-lived assets, including property and equipment and amortizable acquired intangible assets, for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be fully recoverable. Such events and changes may include significant changes in performance relative to expected operating results, significant changes in asset use, significant negative industry or economic trends, and changes in the Company's business strategy. Recoverability of these assets is measured by a comparison of the carrying amounts to the future undiscounted cash flows the assets are expected to generate. If such review indicates that the carrying amount of long-lived assets is not recoverable, the carrying amount of such assets is reduced to fair value. The Company determined that there were no events or changes in circumstances that indicated that its long-lived assets were impaired during the years ended April 30, 2026, 2025, and 2024.

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

Revenue Recognition

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

Under ASC 606, the Company recognizes revenue when its customer obtains control of promised goods or services in an amount that reflects the consideration that the Company expects to receive in exchange for those goods and services. The Company's contracts include varying terms and conditions, and identifying and evaluating the impact of these terms and conditions on revenue recognition requires significant judgment. In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements, the Company performs the following steps:

(i) Identification of the contract with a customer:

The Company contracts with its customers through order forms which, in some cases, are governed by master sales agreements. The Company 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 Company has determined the customer has the ability and intent to pay, and the contract has commercial substance. The Company applies judgment in determining the customer's ability and intent to pay, which is based on a variety of factors, including the customer's historical payment experience or, in the case of a new customer, the customer's credit, reputation, and financial or other pertinent information. At contract inception, the Company evaluates whether two or more contracts should be combined and accounted for as a single contract and whether the combined or single contract includes more than one performance obligation. The Company has concluded that its contracts with customers 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 Company, 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 a license providing the right to use proprietary features in its software, as well as an obligation to provide support (on both open source and proprietary features) and maintenance. The Company's SaaS products provide access to hosted software as well as support, which the Company considers to be a single performance obligation.

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

(iii) Determination of the transaction price:

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

(iv) Allocation of the transaction price to the performance obligations:

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

(v) Recognition of revenue when the Company satisfies each performance obligation:

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

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

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

Deferred Contract Acquisition Costs

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

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 Company determines the period of benefit for commissions paid for contracts with new customers and incremental sales to existing customers by taking into consideration its initial estimated customer life and the technological life of its software and related significant features. Commissions paid on services are typically amortized in accordance with the associated revenue as the commissions paid on new and renewal services are commensurate with each other. Amortization of deferred contract acquisition costs is recognized in sales and marketing expense in the consolidated statements of operations.

The Company periodically reviews the carrying amount of deferred contract acquisition costs to determine whether events or changes in circumstances have occurred that could impact the period of benefit of these deferred costs.

Cost of Revenue

Cost of revenue consists primarily of costs related to providing subscriptions and services to the Company's customers, including cloud hosting costs, personnel costs (salaries, bonuses and benefits, and stock-based compensation) and related expenses for customer support and services personnel, third-party contractors, depreciation of fixed assets, amortization associated with acquired intangible assets, and allocated overhead.

Research and Development

Research and development costs are expensed as incurred and consist primarily of personnel costs including salaries, bonuses and benefits, and stock-based compensation. Research and development costs also include cloud hosting costs, depreciation, and allocated overhead.

Advertising

Advertising costs are charged to operations as incurred and recorded in sales and marketing expense in the consolidated statements of operations. Advertising costs were $20.4 million, $22.5 million, and $26.0 million for the years ended April 30, 2026, 2025, and 2024, respectively.

Stock-Based Compensation

Compensation expense related to stock options and restricted stock units ("RSUs"), including those with performance or market conditions, issued to employees and directors is measured at the fair value on the date of the grant and recognized over the requisite service period. The fair value of stock options and purchase rights issued to employees under the 2022 Employee Stock Purchase Plan (the "ESPP") is estimated on the date of the grant using the Black-Scholes option-pricing model. The fair value of RSUs with service or performance conditions is estimated on the date of the grant based on the fair value of the Company's underlying ordinary shares. The fair value of RSUs with market conditions is estimated using a Monte Carlo simulation. Compensation expense for stock options and RSUs with only a service condition is recognized on a straight-line basis over the requisite service period, and over the six-month offering period for ordinary shares purchased under the ESPP. Compensation expense relating to RSUs with a performance condition is recognized using the accelerated attribution method over the requisite service period when it is probable that the performance condition will be satisfied. Compensation expense for RSUs with a market condition is recognized using the accelerated attribution method over the requisite service period of each tranche, regardless of whether the market condition is ultimately satisfied. The Company recognizes forfeitures as they occur.

Debt Issuance Costs

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

Net Earnings (Loss) Per Share Attributable to Ordinary Shareholders

The Company calculates basic net earnings (loss) per share by dividing the net income (loss) by the weighted-average number of ordinary shares outstanding during the period, less shares subject to repurchase. Diluted net earnings (loss) per share is computed by giving effect to all potentially dilutive ordinary share equivalents outstanding for the period, including stock options, RSUs, and ESPP shares.

Treasury Shares

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

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

Segments

The Company's Chief Executive Officer is its chief operating decision maker ("CODM"). The Company's CODM reviews discrete financial information at the consolidated level to make operating decisions, allocate resources, and evaluate financial performance. The Company operates in one operating segment and, therefore, one reportable segment.

The CODM uses consolidated net income (loss) to measure segment profit or loss to evaluate the Company's overall performance and identify any underlying trends in the business to facilitate the allocation of resources to support strategic priorities and capital allocation needs (including personnel-related and other financial or capital resources).

Significant segment expenses that are reviewed and utilized by the CODM at the consolidated level to manage the Company's operations include cost of revenue, research and development, sales and marketing, and general and administrative expenses, which are presented in the Company's consolidated statements of operations. Other segment items that impact net income (loss) include interest expense, other income, net, and the (benefit from) provision for income taxes, which are presented in the Company's consolidated statements of operations.

The Company presents financial information about its reportable segment and geographical areas in Note 15.

Income Taxes

The Company is subject to income taxes in the Netherlands and numerous foreign jurisdictions. These foreign jurisdictions may have different statutory rates than the Netherlands. The Company records a (benefit from) provision for income taxes for the anticipated tax consequences of the reported results of operations using the asset and liability method. Under this method, the Company recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and the tax basis of assets and liabilities, as well as for operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. The Company records a valuation allowance to reduce its deferred tax assets to the net amount that it believes is more likely than not to be realized.

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

The Company makes adjustments to its reserves when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will affect the (benefit from) provision for income taxes in the period in which such determination is made.

Recently Adopted Accounting Pronouncements

Income Taxes: In December 2023, the Financial Accounting Standards Board (the "FASB") issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures,* which requires enhancements and further transparency for certain income tax disclosures. The new guidance mandates consistent categories and greater disaggregation of information in the tax rate reconciliation, as well as disaggregation of income taxes paid by jurisdiction. The Company adopted ASU No. 2023-09 during the fourth quarter of fiscal 2026 on a prospective basis. The Company's adoption of this ASU did not have a material impact on its consolidated financial statements. See Note 13 for additional details.

New Accounting Pronouncements Not Yet Adopted

Financial Instruments: In July 2025, the FASB issued ASU No. 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets,* which provides a practical expedient related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606, including those assets acquired in a business combination. The practical expedient permits an entity to assume that current conditions as of the balance sheet date do not change for the remaining life of the current accounts receivable and current contract assets. The guidance becomes effective for the Company for fiscal years beginning after April 30, 2026, and interim periods within those fiscal years. Early adoption is permitted. An entity that elects the practical expedient should apply the guidance prospectively. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Codification Improvements: In December 2025, the FASB issued ASU No. 2025-12, *Codification Improvements,* as part of an ongoing project to make non-substantive technical corrections, clarifications, and improvements that are not expected to have a significant effect on accounting practices or create a significant administrative cost to most entities. The amendments are varied in nature and may affect the application of guidance for cases in which the original guidance may have been unclear. The guidance becomes effective for the Company for fiscal years beginning after April 30, 2027, and interim periods within those fiscal years. Early adoption is permitted. Upon adoption, the guidance may be applied prospectively or retrospectively on an issue-by-issue basis. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Comprehensive Income: In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,* requiring more detailed disclosures about specified categories of expenses included in certain expense captions presented on the face of the income statement. The guidance becomes effective for the Company for fiscal years beginning after April 30, 2027, and interim periods within fiscal years beginning after April 30, 2028. Early adoption is permitted. Upon adoption, the guidance may be applied prospectively or retrospectively. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Internal-Use Software: In September 2025, the FASB issued ASU No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software,* to modernize the accounting for software costs that are accounted for under Subtopic 350-40. The new guidance removes all references to software development stages and allows software development costs to be capitalized once management commits to funding the project and it is probable that the project will be completed and used as intended. The new guidance also introduces the concept of "significant development uncertainty" which, if present, precludes capitalization. The guidance becomes effective for the Company for fiscal years beginning after April 30, 2028, and interim periods within those fiscal years. Early adoption is permitted. Upon adoption, the guidance may be applied prospectively, retrospectively, or using a modified prospective transition method. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Interim Reporting: In December 2025, the FASB issued ASU No. 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements,* to enhance the existing interim reporting guidance without changing the fundamental nature or volume of required interim disclosures. The new guidance improves the organization and accessibility of required interim disclosure requirements, clarifies when that guidance is applicable, and introduces a new principle requiring disclosure of events occurring after the end of the most recent annual reporting period that have a material impact on the entity. The guidance becomes effective for the Company for interim periods within fiscal years beginning after April 30, 2028. Early adoption is permitted. Upon adoption, the guidance may be applied prospectively or retrospectively. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

3. Revenue

Disaggregation of Revenue

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

	Year Ended April 30,					
	2026		2025		2024	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue
Annual Elastic Cloud	$ 640,937	37 %	$ 502,320	34 %	$ 364,062	29 %
Monthly Elastic Cloud	196,334	11 %	185,299	12 %	183,458	14 %
Total Elastic Cloud	837,271	48 %	687,619	46 %	547,520	43 %
Other subscription	797,184	46 %	696,901	47 %	629,086	50 %
Total subscription	1,634,455	94 %	1,384,520	93 %	1,176,606	93 %
Services	104,876	6 %	98,776	7 %	90,715	7 %
Total revenue	$ 1,739,331	100 %	$ 1,483,296	100 %	$ 1,267,321	100 %

Concentration of Credit Risk

One customer, a channel partner, accounted for 11% of total revenue during the years ended April 30, 2026 and 2024, and 12% of total revenue during the year ended April 30, 2025. The same customer accounted for 11% of net accounts receivable as of April 30, 2026. No customer accounted for 10% or more of net accounts receivable as of April 30, 2025.

Deferred Revenue

The Company recognized revenue of $807.9 million, $660.9 million, and $522.8 million for the years ended April 30, 2026, 2025, and 2024, respectively, that was included in the deferred revenue balance at the beginning of each of the respective periods.

Unbilled Accounts Receivable

Unbilled accounts receivable is recorded as part of accounts receivable, net in the Company's consolidated balance sheets. As of April 30, 2026 and 2025, unbilled accounts receivable was $3.1 million and $2.5 million, respectively.

Remaining Performance Obligations

Remaining performance obligations ("RPO") represent the amount of contracted future revenue that has not been recognized, including deferred revenue and non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods. The Company's RPO excludes performance obligations from on-demand arrangements as there are no minimum purchase commitments associated with such arrangements.

As of April 30, 2026, the Company had $1.982 billion of RPO, of which the Company expects to recognize approximately 61% as revenue over the next twelve months, approximately 86% over the next twenty-four months, and the remainder thereafter.

Deferred Contract Acquisition Costs

Amortization expense with respect to deferred contract acquisition costs was $111.1 million, $96.7 million, and $78.5 million for the years ended April 30, 2026, 2025, and 2024, respectively. The Company did not recognize any impairment of deferred contract acquisition costs for the years ended April 30, 2026, 2025, and 2024.

4. Fair Value Measurements

Financial Assets

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

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

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

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

	Level 1	Level 2	Level 3	Total
Financial Assets:				
Cash equivalents:				
Money market funds	$ 197,710	$ —	$ —	$ 197,710
U.S. treasury securities	90,642	—	—	90,642
U.S. agency securities	—	20,001	—	20,001
Commercial paper	—	9,462	—	9,462
Certificates of deposit	—	6,020	—	6,020
Corporate debt securities	—	3,128	—	3,128
Total included in cash equivalents	288,352	38,611	—	326,963
Marketable securities:				
U.S. treasury securities	113,440	—	—	113,440
Corporate debt securities	—	390,077	—	390,077
Certificates of deposit	—	63,377	—	63,377
International treasuries	—	40,135	—	40,135
Municipal securities	—	34,966	—	34,966
Commercial paper	—	17,739	—	17,739
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 other assets, non-current on the Company's consolidated balance sheets.

Interest income from the Company's cash, cash equivalents, and marketable securities was $51.8 million, $48.3 million, and $28.1 million for the years ended April 30, 2026, 2025, and 2024, respectively, and is included in other income, net in the consolidated statements of operations.

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

The fair value of available-for-sale securities, by remaining contractual maturity, are as follows (in thousands):

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

Financial Liabilities

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

5. Acquisitions

Conic AI Technology Limited

On October 7, 2025, the Company acquired 100% of the share capital of Conic AI Technology Limited and its subsidiaries (collectively, "Jina AI") for a total purchase consideration of $43.4 million. The purchase consideration includes $6.9 million held back by the Company for indemnity obligations, which will be released upon the 24-month anniversary of the acquisition.

The acquisition was accounted for as a business combination in accordance with ASC 805, *Business Combinations,* and, accordingly, the total purchase consideration was allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the acquisition date. The total purchase price allocated to developed technology and goodwill was $6.5 million and $30.2 million, respectively. The fair value assigned to developed technology was determined using the cost to recreate approach. The developed technology asset is being amortized on a straight-line basis over the useful life of 2 years, which approximates the pattern in which the developed technology is utilized. Goodwill resulted primarily from the expectation of enhancing the Elastic Search AI-powered solutions and the value of the acquired workforce. The resulting goodwill is not deductible for income tax purposes.

The financial results of Jina AI have been included in the Company's consolidated results of operations since the acquisition date. Pro forma and historical results of operations for this acquisition have not been presented as they were not material to the Company's consolidated results of operations.

Paladin Data Inc.

On May 21, 2025, Elasticsearch, Inc., a wholly-owned subsidiary of the Company, acquired 100% of the share capital of Paladin Data Inc., including its wholly-owned subsidiary, Keep Alerting Ltd. (collectively, "Keep"), for a total purchase consideration of $10.9 million. The purchase consideration includes $1.4 million held back by the Company for indemnity obligations, which will be released upon the 18-month anniversary of the acquisition.

The acquisition was accounted for as a business combination in accordance with ASC 805, *Business Combinations,* and, accordingly, the total purchase consideration was allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the acquisition date. The total purchase price allocated to developed technology and goodwill was $4.0 million and $6.7 million, respectively. The fair value assigned to developed technology was determined using the cost to recreate approach. The developed technology asset is being amortized on a straight-line basis over the useful life of 5 years, which approximates the pattern in which the developed technology is utilized. Goodwill resulted primarily from the expectation of enhancing the Elastic Search AI-powered solutions and the value of the acquired workforce. The resulting goodwill is not deductible for income tax purposes.

The financial results of Keep have been included in the Company's consolidated results of operations since the acquisition date. Pro forma and historical results of operations for this acquisition have not been presented as they were not material to the Company's consolidated results of operations.

6. Balance Sheet Components

Property and Equipment, Net

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

		As of April 30,	
	Useful Life (in years)	2026	2025
Leasehold improvements	Lesser of estimated useful life or remaining lease term	$ 9,774	$ 14,780
Computer hardware and software	3	4,066	4,390
Furniture and fixtures	3-5	5,163	8,025
Assets under construction		3,575	33
Total property and equipment		22,578	27,228
Less: accumulated depreciation		(13,987)	(20,639)
Property and equipment, net		$ 8,591	$ 6,589

Depreciation expense related to property and equipment was $3.0 million, $3.1 million, and $3.5 million for the years ended April 30, 2026, 2025, and 2024, respectively.

Intangible Assets, Net

Intangible assets consisted of the following as of April 30, 2026 (in thousands):

	Gross Fair Value	Accumulated Amortization	Net Book Value	Weighted Average Remaining Useful Life (in years)
Developed technology	$ 85,291	$ 72,208	$ 13,083	2.2
Foreign currency translation adjustment			(24)	
Total			$ 13,059	

Intangible assets consisted of the following as of April 30, 2025 (in thousands):

	Gross Fair Value	Accumulated Amortization	Net Book Value	Weighted Average Remaining Useful Life (in years)
Developed technology	$ 76,130	$ 64,702	$ 11,428	2.2
Foreign currency translation adjustment			(24)	
Total			$ 11,404	

Amortization expense for the intangible assets for the years ended April 30, 2026, 2025, and 2024 was as follows (in thousands):

	Year Ended April 30,		
	2026	2025	2024
Cost of revenue – subscription	$ 8,795	$ 9,213	$ 12,353
Sales and marketing	—	—	2,143
Total amortization of acquired intangible assets	$ 8,795	$ 9,213	$ 14,496

The expected future amortization expense related to the intangible assets as of April 30, 2026 was as follows (in thousands, by fiscal year):

2027	$ 7,301
2028	3,413
2029	1,501
2030	798
2031	46
Total	$ 13,059

Goodwill

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

	Carrying Amount
Balance as of April 30, 2024	$ 319,380
Foreign currency translation adjustment	37
Balance as of April 30, 2025	319,417
Additions from acquisitions	36,916
Foreign currency translation adjustment	109
Balance as of April 30, 2026	$ 356,442

There was no impairment of goodwill during the years ended April 30, 2026, 2025, and 2024.

Accrued Expenses and Other Liabilities

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

	As of April 30,	
	2026	2025
Accrued expenses	$ 44,109	$ 36,585
Income taxes payable	12,899	11,690
Value added taxes payable	12,837	9,872
Accrued interest	6,918	6,918
Other	19,950	21,282
Total accrued expenses and other liabilities	$ 96,713	$ 86,347

Accrued Compensation and Benefits

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

	As of April 30,	
	2026	2025
Accrued vacation	$ 46,702	$ 42,136
Accrued commissions	46,420	28,051
Accrued payroll and withholding taxes	11,138	10,007
Other	14,971	13,520
Total accrued compensation and benefits	$ 119,231	$ 93,714

Allowance for Credit Losses

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

	Year Ended April 30,		
	2026	2025	2024
Beginning balance	$ 5,510	$ 4,979	$ 3,409
Bad debt expense	4,358	3,909	3,864
Accounts written off	(3,021)	(3,378)	(2,294)
Ending balance	$ 6,847	$ 5,510	$ 4,979

7. Senior Notes

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

Interest on the Senior Notes is payable semi-annually in arrears on January 15 and July 15 of each year. The 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):

	As of April 30,	
	2026	2025
Principal	$ 575,000	$ 575,000
Unamortized debt issuance costs	(4,105)	(5,271)
Net carrying amount	$ 570,895	$ 569,729

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

	Year Ended April 30,		
	2026	2025	2024
Contractual interest expense	$ 23,719	$ 23,719	$ 23,719
Amortization of debt issuance costs	1,166	1,117	1,069
Total interest expense related to the Senior Notes	$ 24,885	$ 24,836	$ 24,788

8. Commitments and Contingencies

Cloud Hosting Commitments

The table below reflects the Company's future minimum purchase obligations relating to non-cancelable agreements for cloud hosting as of April 30, 2026 (in thousands):

Years Ending April 30,	Purchase Obligations
2027	$ 217,688
2028	174,665
2029	128,630
2030	92,643
2031	—
Total	$ 613,626

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 Company has future purchase obligations primarily related to general corporate services, subscription software, and sales and marketing contracts. As of April 30, 2026, the Company had purchase commitments of $96.0 million related to these contracts, primarily due within the next twelve months.

Letters of Credit

The Company had a total of $1.6 million in letters of credit outstanding in favor of certain landlords for office space as of April 30, 2026.

Legal Matters

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

On February 11, 2025, an alleged shareholder of the Company filed a complaint in the United States District Court for the Eastern District of New York against the Company and one of its executive officers, Ashutosh Kulkarni, as well as a former executive officer of the Company, Janesh Moorjani, on behalf of a putative class of shareholders of the Company who purchased or otherwise acquired the Company's ordinary shares during the period from May 31, 2024 to August 29, 2024. The complaint, captioned "In re Elastic N.V. Securities Litigation," alleges that the defendants made materially false and misleading statements and omitted material information about the Company's business and financial results during the foregoing period in violation of Sections 10(b) and 20(a) of the Exchange Act and Exchange Act Rule 10b-5, which allegedly resulted in artificially inflated prices of the Company's shares. The complaint states that plaintiffs seek damages and attorneys' fees and costs. In May 2025, the Court appointed Lucid Alternative Fund, LP and Jeff Milan as co-lead plaintiffs in this matter. On August 1, 2025, the plaintiffs filed an amended complaint, citing the same core theories and claims but extending the class period to cover the period June 2, 2023 to August 29, 2024. On October 1, 2025, the Company filed a motion to dismiss the complaint. The plaintiffs filed an opposition to the motion on November 17, 2025, and the Company filed a reply on December 17, 2025. The motion to dismiss is pending before the Court. At this stage of the proceedings, the Company can neither predict the ultimate outcome of the litigation nor estimate any range of possible losses.

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

Indemnification

The Company enters into indemnification provisions under its agreements with other companies in the ordinary course of business, including business partners, landlords, contractors and parties performing its research and development. Pursuant to these arrangements, the Company agrees to indemnify, hold harmless, and reimburse the indemnified party for certain losses suffered or incurred by the indemnified party as a result of the Company's activities. The maximum potential amount of future payments the Company could be required to make under these agreements is not determinable. The Company to date has not incurred costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, the Company believes the fair value of these agreements is not material. The Company maintains commercial general liability insurance and product liability insurance to offset certain of the Company's potential liabilities under these indemnification provisions.

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

9. Leases

The Company's leases provide for rental of corporate office space under non-cancelable operating lease agreements that expire at various dates through fiscal 2036. The Company does not have any finance leases.

Lease Costs

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

	Year Ended April 30,		
	2026	2025	2024
Operating lease cost	$ 9,083	$ 11,102	$ 12,114
Short-term lease cost	2,831	2,232	1,921
Variable lease cost	1,683	1,456	1,342
Total lease cost	$ 13,597	$ 14,790	$ 15,377

Lease term and discount rate information are summarized as follows:

	As of April 30, 2026
Weighted average remaining lease term (in years)	5.4
Weighted average discount rate	5.3 %

Future minimum lease payments under non-cancelable operating leases on an undiscounted cash flow basis as of April 30, 2026 were as follows (in thousands, by fiscal year):

2027	$	7,491
2028		5,167
2029		3,070
2030		1,435
2031		1,237
Thereafter		5,768
Total minimum lease payments		24,168
Less imputed interest		(3,500)
Present value of future minimum lease payments		20,668
Less current lease liabilities		(6,539)
Operating lease liabilities, non-current	$	14,129

During the year ended April 30, 2026, the Company executed an operating lease agreement for an office space with an expected commencement date in the first quarter of fiscal 2027 and a lease term of approximately 8.5 years. The undiscounted future minimum lease payments as of April 30, 2026 are approximately $7.9 million.

10. Ordinary Shares

The Company's authorized ordinary share capital pursuant to its articles of association amounts to 165 million ordinary shares at a par value per ordinary share of €0.01.

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

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

Preference Shares

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

Preference shares in the capital of the Company may currently only be issued pursuant to a resolution adopted by the general meeting of shareholders at the proposal of the board of directors.

Share Repurchase Program

In October 2025, the Company's board of directors authorized a program to repurchase up to $500.0 million of the Company's ordinary shares (the "Share Repurchase Program"). Repurchases under the Share Repurchase Program may be effected through open market purchases, block trades, accelerated or other structured share repurchase programs, or otherwise in accordance with applicable federal securities laws, including trading arrangements conducted in accordance with Rule 10b5-1 under the Exchange Act. The timing and actual number of shares repurchased will depend on a variety of factors, including price, general business and market conditions, the Company's liquidity, and other factors. The current authorization may be modified, suspended, or terminated at any time and does not have a specified expiration date.

The following table summarizes the share repurchase activity under the Company's Share Repurchase Program (in thousands, except share and per share data):

	Year Ended April 30, 2026
Number of shares repurchased	4,420,666
Weighted-average price per share [1]	$ 76.91
Aggregate purchase price [1]	$ 340,000

(1) Excludes transaction costs associated with the repurchases.

All repurchases were made in open market transactions. As of April 30, 2026, $160.0 million remained available for future share repurchases under the Share Repurchase Program.

11. Equity Incentive Plans

2022 Employee Stock Purchase Plan

The Company reserved 6.0 million of its ordinary shares for purchase and issuance under the ESPP. The ESPP allows eligible employees to acquire ordinary shares of the Company at a discount at periodic intervals through accumulated payroll deductions. Eligible employees purchase ordinary shares of the Company during a purchase period at 85% of the market value of the ordinary shares at either the beginning or end of an offering period, whichever is lower. Offering periods under the ESPP are approximately six months long and begin on each of March 16 or September 16 or the next trading day thereafter.

The Company issued 462,103 and 364,236 ordinary shares under the ESPP during the years ended April 30, 2026 and 2025, respectively. As of April 30, 2026, there were 4,828,496 shares available for issuance under the ESPP. Stock-based compensation expense recognized related to the ESPP was $9.0 million, $9.2 million, and $7.1 million for the years ended April 30, 2026, 2025, and 2024, respectively.

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

	Year Ended April 30,	
	2026	2025
Expected term (in years)	0.5	0.5
Expected stock price volatility	49.7% - 54.9%	50.4% - 59.2%
Risk-free interest rate	3.7% - 3.8%	4.3% - 4.6%
Dividend yield	—%	—%

2012 Stock Option Plan

Under the Company's 2012 Stock Option Plan (as amended and restated, the "2012 Plan"), the board of directors, the compensation committee, as administrator of the 2012 Plan, and any other duly authorized committee may grant stock options and other equity-based awards, such as RSUs (including those with performance or market conditions) to eligible employees, directors, and consultants to attract and retain talented personnel for positions of substantial responsibility, to provide additional incentive to employees, directors, and consultants, and to promote the success of the Company's business.

The Company's board of directors, compensation committee, or other duly authorized committee determines the vesting schedule for all equity-based awards. Stock options and RSUs granted to employees generally vest over four years, subject to the employees' continued service to the Company. The Company's compensation committee may explicitly deviate from the general vesting schedules in its approval of an equity-based award as it may deem appropriate. Stock options expire ten years after the date of grant. Shares subject to stock options and RSUs that are canceled under certain conditions become available for future grant of awards under the 2012 Plan unless the 2012 Plan is terminated. As of April 30, 2026, there were 28,438,422 shares available for grant under the 2012 Plan.

Stock Incentive Plans Assumed in Acquisitions

In connection with acquisitions completed in prior years, the Company assumed certain unvested stock options that were outstanding on the date of the respective acquisitions.

The assumed stock options will continue to be outstanding and will be governed by the provisions of their respective plans and are included in the stock option activity table below.

Stock Options

The following table summarizes stock option activity:

	Stock Options Outstanding			
	Number of Stock Options Outstanding	Weighted-Average Exercise Price	Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Balance as of April 30, 2025	1,775,723	$ 42.16	3.88	$ 88,617
Stock options exercised	(218,707)	$ 12.83		
Stock options canceled	(9,250)	$ 49.51		
Stock options assumed in acquisition canceled	(656)	$ 74.36		
Balance as of April 30, 2026	1,547,110	$ 46.25	3.10	$ 30,020
Exercisable as of April 30, 2026	1,539,658	$ 46.07	3.09	$ 30,020

Aggregate intrinsic value represents the difference between the exercise price of the stock options to purchase the Company's ordinary shares and the fair value of the Company's ordinary shares. The intrinsic value of options exercised for the years ended April 30, 2026, 2025, and 2024 was $12.1 million, $65.6 million, and $95.0 million, respectively. No stock options were granted during the years ended April 30, 2026, 2025, and 2024.

As of April 30, 2026, the Company had unrecognized stock-based compensation expense of $0.3 million related to unvested stock options that the Company expects to recognize over a weighted-average period of 0.31 years.

RSUs

The following table summarizes RSU activity under the 2012 Plan:

	Number of Awards	Weighted-Average Grant Date Fair Value
Outstanding and unvested at April 30, 2025	6,523,077	$ 93.95
RSUs granted	5,508,638	$ 76.67
RSUs released	(2,956,439)	$ 88.49
RSUs canceled	(912,698)	$ 91.08
Outstanding and unvested at April 30, 2026	8,162,578	$ 84.58

The total fair value of RSUs vested during the years ended April 30, 2026, 2025, and 2024 was $219.8 million, $261.0 million, and $248.9 million, respectively. As of April 30, 2026, the Company had unrecognized stock-based compensation expense of $623.9 million related to RSUs that the Company expects to recognize over a weighted-average period of 2.70 years.

Stock-Based Compensation Expense

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

	Year Ended April 30,		
	2026	2025	2024
Cost of revenue			
Subscription	$ 10,056	$ 9,443	$ 8,774
Services	15,918	14,747	12,539
Research and development	112,638	97,412	93,588
Sales and marketing	94,961	86,743	78,069
General and administrative	64,862	49,437	46,167
Total stock-based compensation expense	$ 298,435	$ 257,782	$ 239,137

12. Net Earnings (Loss) Per Share Attributable to Ordinary Shareholders

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

	Year Ended April 30,		
	2026	2025	2024
Numerator:			
Net income (loss)	$ 367,766	$ (108,114)	$ 61,720
Denominator:			
Weighted-average shares used to compute net earnings (loss) per share attributable to ordinary shareholders			
Basic	105,335,440	103,661,704	99,646,231
Diluted	107,220,768	103,661,704	103,980,132
Net earnings (loss) per share attributable to ordinary shareholders			
Basic	$ 3.49	$ (1.04)	$ 0.62
Diluted	$ 3.43	$ (1.04)	$ 0.59

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

	Year Ended April 30,		
	2026	2025	2024
Stock options	536,368	1,775,723	634,519
RSUs	3,798,106	6,523,077	1,496,213
ESPP	6,405	147,488	4,010
Total	4,340,879	8,446,288	2,134,742

13. Income Taxes

The Company is incorporated in the Netherlands but operates in various countries with differing tax laws and rates. The geographical breakdown of loss before income taxes is summarized as follows (in thousands):

	Year Ended April 30,		
	2026	2025	2024
Dutch	$ (143,468)	$ (135,145)	$ (233,089)
Foreign	141,167	103,576	110,333
Loss before income taxes	$ (2,301)	$ (31,569)	$ (122,756)

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

	Year Ended April 30,		
	2026	2025	2024
Current:			
Dutch	$ 6,641	$ 5,815	$ 4,297
Foreign	19,163	15,540	24,558
Total current tax expense	25,804	21,355	28,855
Deferred:			
Dutch	(431,715)	448	43
Foreign	35,844	54,742	(213,374)
Total deferred tax (income) expense	(395,871)	55,190	(213,331)
Total (benefit from) provision for income taxes	$ (370,067)	$ 76,545	$ (184,476)

The Company's effective tax rate substantially differed from the Dutch statutory tax rate of 25.8% primarily due to recurring items, such as tax rates in jurisdictions both within and outside the Netherlands and the relative amounts of income that is earned in those jurisdictions, non-deductible stock-based compensation, BEAT legislation in the United States, and other one-time tax benefits including the release of valuation allowances against deferred tax assets in the Netherlands, the United Kingdom, and California.

Upon the adoption of ASU 2023-09, as described in Note 2, the reconciliation of taxes at the federal statutory rate to the Company's benefit from income taxes for the fiscal year ended April 30, 2026 is as follows (in thousands, except for rates):

	Year Ended April 30, 2026	
	Tax	Rate
Netherlands federal statutory tax rate	$ (594)	25.8 %
Foreign tax effects		
Brazil		
Foreign withholding taxes	1,756	(76.3)%
Other	40	(1.7)%
Canada		
Stock-based compensation	1,196	(52.0)%
Research and development credit	(1,034)	44.9 %
Other	69	(3.0)%
State and local income taxes, net of federal income tax effect	502	(21.8)%
France		
Stock-based compensation	1,027	(44.6)%
Other	(1,335)	58.0 %
Israel		
Gain on transfer of intellectual property	1,236	(53.7)%
GAAP to stat: Book gain on transfer of intellectual property	(1,414)	61.5 %
Stock-based compensation	1,449	(63.0)%
Other	(1,191)	51.8 %
Spain		
Research and development credit	(1,373)	59.7 %
Other	(8)	0.4 %
United Kingdom		
Valuation allowance	(24,535)	1,066.4 %
Prior-year adjustments	4,571	(198.7)%
Stock-based compensation	(2,994)	130.1 %
Other	537	(23.4)%
United States		
BEAT waiver election	51,231	(2,226.8)%
Current-year deferred only	3,248	(141.2)%
Foreign-Derived Intangible Income ("FDII")	(2,052)	89.2 %
Foreign rate differential	(2,476)	107.6 %
Global intangible low-taxed income	1,386	(60.2)%
Prior-year tax adjustment	(1,022)	44.4 %
Research and development credit	(4,989)	216.9 %
Sec. 162(m) limitation	5,963	(259.2)%
Stock-based compensation	5,018	(218.1)%
Other	605	(26.3)%

	Year Ended April 30, 2026	
	Tax	Rate
State and local income taxes, net of federal income tax effect	(14,722)	639.9 %
Other foreign jurisdictions	1,054	(45.8)%
Tax credits		
Foreign tax credit	(2,812)	122.2 %
Nontaxable or nondeductible items		
Branch profits adjustment	(39)	1.7 %
Meals and entertainment	42	(1.8)%
Non-deductible mergers and acquisitions transaction costs	223	(9.7)%
Other	(5)	0.1 %
Valuation allowance	(390,506)	16,973.4 %
Other		
Prior-year adjustments	(50)	2.2 %
Stock-based compensation	2,200	(95.6)%
Worldwide changes in unrecognized tax benefits	(269)	11.7 %
Effective tax rate	$ (370,067)	16,085.0 %

A reconciliation of income taxes at the statutory income tax rate to the provision for (benefit from) income taxes included in the consolidated statements of operations for the fiscal years ended April 30, 2025 and 2024 is as follows (in thousands, except for rates):

	Year Ended April 30,			
	2025		2024	
	Tax	Rate	Tax	Rate
Dutch statutory income tax	$ (8,145)	25.8 %	$ (31,671)	25.8 %
Foreign income taxed at different rates	(5,561)	17.6 %	(2,406)	2.0 %
Tax credits	(13,508)	42.8 %	(10,149)	8.3 %
Stock-based compensation	(9,282)	29.4 %	(10,296)	8.4 %
Change in valuation allowance	48,539	(153.8)%	(186,166)	151.6 %
Intellectual property migration	610	(1.9)%	7,353	(6.0)%
BEAT waiver election	45,321	(143.6)%	40,141	(32.7)%
FDII exclusion	(2,241)	7.1 %	(2,328)	1.9 %
Executive compensation	6,523	(20.7)%	4,091	(3.3)%
Foreign withholding taxes	2,701	(8.6)%	2,864	(2.3)%
State taxes	6,867	(21.8)%	1,866	(1.5)%
Unrecognized tax benefit	6,713	(21.3)%	1,406	(1.1)%
Tax credit add-back	1,215	(3.8)%	950	(0.8)%
Meals and entertainment	598	(1.9)%	566	(0.5)%
Prior-year true-ups	(3,680)	11.7 %	(846)	0.7 %
Other	(125)	0.5 %	149	(0.2)%
Provision for (benefit from) income taxes	$ 76,545	(242.5)%	$ (184,476)	150.3 %

Income Tax Payments

Cash paid for income taxes, net of refunds received, by jurisdiction pursuant to the disclosure requirements of ASU 2023-09 for the year ended April 30, 2026 was as follows (in thousands):

	Year Ended April 30, 2026
Netherlands	$ 3,175
Foreign	
Brazil	1,533
France	1,831
Germany - federal	2,237
Germany - local	1,442
Israel	3,725
United States - federal	3,572
United States - states	4,135
Other	6,361
Cash paid for income taxes, net of refunds received	$ 28,011

Deferred Income Taxes

Deferred tax assets and liabilities 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. Deferred tax assets are reduced by a valuation allowance where management has concluded it is more likely than not that the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. Management makes estimates and judgments about future taxable income based on assumptions that are consistent with the Company's plans and estimates.

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

	As of April 30,	
	2026	2025
Deferred tax assets:		
Accrued compensation	$ 8,476	$ 5,837
NOL carryforwards	502,126	537,912
Intangible assets	4,377	5,641
Deferred revenue	13,118	7,478
Stock-based compensation	29,314	20,613
Tax credits	28,371	32,271
Disallowed interest expense	13,642	13,183
Lease liabilities	3,487	4,727
Other	10,298	11,018
Gross deferred tax assets	613,209	638,680
Less valuation allowance	(4,219)	(437,497)
Total deferred tax assets	608,990	201,183
Deferred tax liabilities:		
Deferred contract acquisition costs	(51,574)	(38,629)
Right of use assets	(3,108)	(4,133)
Other	(89)	—
Gross deferred tax liabilities	(54,771)	(42,762)
Net deferred tax assets	$ 554,219	$ 158,421

The valuation allowance for deferred tax assets as of April 30, 2026 and 2025 was $4.2 million and $437.5 million, respectively. As of April 30, 2025, the valuation allowance for the Netherlands, the United Kingdom, and California deferred tax assets was $390.5 million, $24.3 million, and $22.7 million, respectively. During the year ended April 30, 2026, the Company released valuation allowances of $390.5 million, $23.7 million, and $20.7 million related to deferred tax assets in the Netherlands, the United Kingdom, and California, respectively. As of April 30, 2026, the remaining valuation allowance of $4.2 million relates to certain U.S. states and foreign jurisdictions.

The release of the valuation allowance in the Netherlands and California was supported by the implementation of a committed tax planning action in fiscal 2027 that is expected to generate future taxable income in each jurisdiction. The release of the valuation allowance in the United Kingdom was attributable to achieving three years cumulative income during the three months ended April 30, 2026 as well as forecasts of future taxable income. Based on the weight of all available positive and negative evidence, the Company determined that realization of the related deferred tax assets was more likely than not for each of these jurisdictions.

As of April 30, 2026, the Company had NOL carryforwards for Netherlands, United States (federal and state, respectively), and United Kingdom income tax purposes of $1.557 billion, $229.6 million, $505.4 million, and $68.9 million, respectively, with losses being carried forward indefinitely and beginning to expire in the year ending April 30, 2026 for the United States (federal and state, respectively), with Netherlands and United Kingdom losses being carried forward indefinitely. The Company also has research and development tax credit carryforwards for the United States (federal and state, respectively), Canada, and Spain for income tax purposes of $30.0 million, $9.1 million, $0.7 million, and $2.3 million, respectively, which begin to expire on April 30, 2039, April 30, 2027, April 30, 2042, and April 30, 2041, respectively.

Uncertain Tax Positions

The calculation of the Company's tax obligations involves dealing with uncertainties in the application of complex tax laws and regulations. ASC 740, *Income Taxes,* provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, on the basis of the technical merits. The Company has assessed its income tax positions and recorded tax benefits for all years subject to examination, based on the Company's evaluation of the facts, circumstances, and information available at each period end.

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

The Company had unrecognized tax benefits of $29.7 million as of April 30, 2026, of which none would impact the effective tax rate before consideration of any valuation allowance. The activity within the Company's unrecognized tax benefits is summarized as follows (in thousands):

	As of April 30,		
	2026	2025	2024
Balance as of beginning of year	$ 29,625	$ 22,691	$ 18,157
(Decrease) increase related to tax positions taken in prior periods	(3,003)	1,553	1,201
Increase related to tax positions taken in the current period	4,038	5,381	3,333
Decrease related settlement with tax authorities	(991)	—	—
Balance as of end of year	$ 29,669	$ 29,625	$ 22,691

During the year ended April 30, 2026, the Company released approximately $3.0 million of prior positions upon completion of the audit and filing of tax returns in applicable jurisdictions. The increase in tax positions related to the current period is primarily from research and development tax credits generated for the year ended April 30, 2026.

The Company's policy is to recognize penalties and interest accrued on any unrecognized tax benefits as a component of income tax expense. The Company recognized interest and penalties of $0.7 million, $0.9 million, and $0.2 million for the years ended April 30, 2026, 2025, and 2024, respectively. The amount of accrued interest and penalties recorded on the consolidated balance sheets as of April 30, 2026 and 2025 was $0.7 million and $1.3 million, respectively.

The Company is subject to periodic examination of income tax returns by various domestic and international tax authorities. During the year ended April 30, 2026, the Company was subject to new audits by various tax authorities.

The Company does not anticipate any significant increases or decreases in its uncertain tax positions within the next twelve months. The Company files tax returns in multiple jurisdictions, including the Netherlands and United States. The Company's tax filings for fiscal years starting with the year ended April 30, 2019 remain open in certain tax jurisdictions.

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. As of April 30, 2026, if such earnings were to be repatriated, they would be exempt from taxation in the Netherlands and the amount of dividend withholding taxes from such foreign jurisdictions would be $6.5 million, due to the various income tax treaties between the Netherlands and the respective foreign jurisdictions.

In 2021, the 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 enacted legislation to implement core elements of the Pillar Two proposal. Pillar Two did not have a significant impact on the Company's consolidated financial statements for the year ended April 30, 2026. The Company continues to monitor the impact of proposed and enacted global tax legislation.

14. Employee Benefit Plans

The Company has a defined-contribution plan in the United States intended to qualify under Section 401 of the Internal Revenue Code (the "401(k) Plan"). The Company has contracted with a third-party provider to act as the 401(k) Plan's custodian and trustee, and to process and maintain the records of participant data. Substantially all the expenses incurred for administering the 401(k) Plan are paid by the Company. The 401(k) Plan covers substantially all U.S. employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation. The Company makes contributions to the 401(k) Plan of up to 6% of the participating employee's 401(k) eligible wages. The Company recorded $22.3 million, $19.6 million, and $18.4 million for the years ended April 30, 2026, 2025, and 2024, respectively, related to the 401(k) Plan.

The Company also has defined-contribution and other employee benefit plans in certain other countries for which the Company recorded $16.4 million, $14.6 million, and $12.7 million for the years ended April 30, 2026, 2025, and 2024, respectively.

15. Segment Information

The Company's Chief Executive Officer is its CODM. The Company's CODM reviews discrete financial information at the consolidated level to make operating decisions, allocate resources, and evaluate financial performance. The Company operates in one operating segment and, therefore, one reportable segment.

The CODM uses consolidated net income (loss) to measure segment profit or loss to evaluate the Company's overall performance and identify any underlying trends in the business to facilitate the allocation of resources to support strategic priorities and capital allocation needs (including personnel-related and other financial or capital resources).

Significant segment expenses that are reviewed and utilized by the CODM at the consolidated level to manage the Company's operations include cost of revenue, research and development, sales and marketing, and general and administrative expenses, which are presented in the Company's consolidated statements of operations. Other segment items that impact net income (loss) include interest expense, other income, net, and the (benefit from) provision for income taxes, which are presented in the Company's consolidated statements of operations.

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

	Year Ended April 30,		
	2026	2025	2024
United States	$ 947,307	$ 836,226	$ 730,488
Rest of world	792,024	647,070	536,833
Total revenue	$ 1,739,331	$ 1,483,296	$ 1,267,321

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

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

	As of April 30,	
	2026	2025
United States	$ 13,994	$ 16,514
The Netherlands	2,096	2,824
Rest of world	11,142	9,585
Total long-lived assets	$ 27,232	$ 28,923

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

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Annual Report on Form 10-K. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of April 30, 2026, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in the reports we file or submit under the Exchange Act (a) is recorded, processed, summarized and reported within the time periods specified by the SEC rules and forms and (b) is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate "internal control over financial reporting," as defined in Rule 13a-15(f) and Rule 15d-15(f) under the Exchange Act. Our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of April 30, 2026 based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on the results of its evaluation, our management concluded that our internal control over financial reporting was effective as of April 30, 2026. The effectiveness of our internal control over financial reporting as of April 30, 2026 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in its report which is included in Part II, Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) under the Exchange Act that occurred during the quarter ended April 30, 2026 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

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

Item 9B. Other Information

Insider Trading Arrangements

During our last fiscal quarter, no director or officer, as defined in Rule 16a-1(f) under the Exchange Act, adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," each as defined for purposes of Regulation S-K Item 408.

On May 4, 2026, after our last fiscal quarter, Navam Welihinda, our Chief Financial Officer, terminated a trading plan on May 4, 2026. The plan, which was adopted on July 7, 2025 and scheduled to expire on July 7, 2026, permitted the sale of up to 27,376 of our ordinary shares, as reduced by any net share settlement, underlying 21,106 restricted stock units and 6,270 performance share units, assuming vesting and payout of the latter awards at the maximum 200% level upon satisfaction of the specified performance criteria.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item 10 (other than the information set forth in the next paragraph) is incorporated herein by reference to our definitive proxy statement for our 2026 annual general meeting of shareholders (the "2026 Proxy Statement"), which will be filed with the SEC within 120 days after the end of our year ended April 30, 2026.

We have adopted our Code of Conduct, applicable to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer and other senior financial officers. The full text of the Code of Conduct is available on our website at elastic.co. The audit committee of our board of directors is responsible for overseeing the Code of Conduct. The board of directors, or its designated committee, must approve any waivers of the Code of Conduct for members of the board of directors or executive officers, including our Chief Executive Officer, Chief Financial Officer and other senior financial officers. To the extent required by SEC rules, we intend to disclose any amendments to the Code of Conduct, or any waivers of its requirements, for the benefit of our Chief Executive Officer, Chief Financial Officer or other senior financial officers on our website within any period that may be required under SEC rules from time to time.

We have adopted insider trading policies and procedures governing the purchase, sale, and/or other dispositions of our securities by directors, officers, and employees, or us, that are reasonably designed to promote compliance with insider trading laws, rules, and regulations, and any listing standards applicable to us. A copy of such policies and procedures is filed as Exhibit 19.1 to this report.

Item 11. Executive Compensation

The information required by this item is incorporated herein by reference to information contained in the 2026 Proxy Statement, including under the captions "Executive Compensation" and "Non-Executive Director Compensation."

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

The information required by this item is incorporated herein by reference to information contained in the 2026 Proxy Statement, including under the captions "Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information."

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated herein by reference to information contained in the 2026 Proxy Statement, including under the captions "Certain Relationships and Transactions with Related Persons" and "Board of Directors and Corporate Governance."

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated herein by reference to information contained in the 2026 Proxy Statement, including under the captions "Principal Accounting Fees and Services" and "Pre-Approval of Audit and Non-Audit Services."

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) Financial Statements

See Index to Financial Statements in Part II, Item 8 of this Annual Report on Form 10-K.

(a)(2) Financial Statement Schedules

All financial statement schedules have been omitted as the information is not required under the related instructions or is not applicable or because the information required is already included in the financial statements or the notes to those financial statements.

(a)(3) Exhibits

We have filed or incorporated by reference the exhibits listed on the accompanying Exhibit Index.

Exhibit Index

		Incorporated by Reference				
Exhibit No.	Description of Exhibit	Form	File No.	Exhibit	Filing Date	Filed Herewith
3.1	Articles of Association of Elastic N.V. (English translation).	10-Q	001-38675	3.1	12/12/2018	
4.1	Description of share capital.	10-K	001-38675	4.2	6/28/2019	
4.2	Indenture, dated as of July 6, 2021, by and between Elastic N.V. and U.S. Bank National Association, as trustee.	8-K	001-38675	4.1	7/6/2021	
4.3	Form of 4.125% Senior Note due 2029 (included in Exhibit 4.3).	8-K	001-38675	4.1	7/6/2021	
10.1+	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.	S-1/A	333-227191	10.1	9/24/2018	
10.2+	Amended and Restated 2012 Stock Option Plan.	10-K	001-38675	10.2	6/16/2023	
10.3+	Form of Change in Control and Severance Agreement.	10-Q	001-38675	10.3	12/2/2022	
10.4+	Amended and Restated Employment Agreement between the Company and Shay Banon, dated June 19, 2023.	10-Q	001-38675	10.1	9/1/2023	
10.6+	Amended and Restated Offer Letter between the Company and Ashutosh Kulkarni, dated as of January 11, 2022.	10-Q	001-38675	10.1	3/10/2022	
10.7+	Offer Letter between the Company and Ken Exner, dated as of July 19, 2022.	10-Q	001-38675	10.1	8/29/2022	
10.8+	Endgame, Inc. Amended and Restated 2010 Stock Incentive Plan, as amended, and related form agreements.	10-Q	001-38675	10.1	12/9/2021	
10.9+	Build Security Ltd. 2020 Share Incentive Plan, as amended, and related form agreements.	S-8	333-261544	4.2	12/8/2021	
10.10+	cmdWatch Security Inc. Stock Option Plan, as amended, and related form agreements.	S-8	333-261544	4.3	12/8/2021	
10.11+	Elastic N.V. 2022 Employee Stock Purchase Plan.	10-K	001-38675	10.12	6/14/2024	
10.12+	Form of Stock Option Agreement under the Amended and Restated 2012 Stock Option Plan.	10-K	001-38675	10.14	6/16/2023	

10.13+	Form of Restricted Stock Unit Agreement under the Amended and Restated 2012 Stock Option Plan.	10-K	001-38675	10.15	6/16/2023	
10.14+	Form of Restricted Stock Unit Agreement under the Amended and Restated 2012 Stock Option Plan.	10-K	001-38675	10.15	6/14/2024	
10.15+	Form of Performance Unit Agreement under the Amended and Restated 2012 Stock Option Plan.	10-Q	001-38675	10.2	9/1/2023	
10.16+	Form of Performance Unit Agreement under the Amended and Restated 2012 Stock Option Plan.	10-K	001-38675	10.17	6/14/2024	
10.17+	Elasticsearch Inc. Executive Deferred Compensation Plan, effective January 1, 2024.	10-Q	001-38675	10.1	3/1/2024	
10.18+	Offer Letter between the Company and Mark Dodds, dated as of December 1, 2023.	10-K	001-38675	10.19	6/14/2024	
10.20+	Offer Letter between the Company and Navam Welihinda, dated as of February 14, 2025.	10-K	001-38675	10.20	6/10/2025	
10.21+	Non-Executive Director Compensation Policy.					X
19.1	Elastic N.V. Insider Trading Policy.	10-K	001-38675	19.1	6/10/2025	
21.1	List of subsidiaries of the Registrant.					X
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.					X
24.1	Power of Attorney (contained in the signature page of this report).					X
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
97.1	Elastic N.V. Incentive-Based Compensation Recovery Policy.	10-K	001-38675	97.1	6/14/2024	
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					X

101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X
104	The cover page from Elastic N.V.'s Annual Report on Form 10-K for the fiscal year ended April 30, 2026 formatted in Inline XBRL (included as Exhibit 101).	X

+ Indicates a management contract or compensatory plan or arrangement.

* The certifications attached as Exhibits 32.1 and 32.2 hereto accompany this Annual Report on Form 10-K pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and are not to be incorporated by reference into any of the Registrant's filings under the Securities Act, irrespective of any general incorporation language contained in any such filing.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Elastic N.V.

Date: June 8, 2026

By: /s/ Ashutosh Kulkarni

Ashutosh Kulkarni

Chief Executive Officer and Director
(*Principal Executive Officer*)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Ashutosh Kulkarni and Navam Welihinda, and each of them, as his or her true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, for such individual in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or the individual's substitute, may lawfully do or cause to be done by virtue hereof.

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

Name	Title	Date
/s/ Ashutosh Kulkarni **Ashutosh Kulkarni**	Chief Executive Officer and Director (Principal Executive Officer)	June 8, 2026
/s/ Navam Welihinda **Navam Welihinda**	Chief Financial Officer (Principal Financial Officer)	June 8, 2026
/s/ Jane Bone **Jane Bone**	Chief Accounting Officer (Principal Accounting Officer)	June 8, 2026
/s/ Shay Banon **Shay Banon**	Chief Technology Officer and Director	June 8, 2026
/s/ Chetan Puttagunta **Chetan Puttagunta**	Chairman and Director	June 8, 2026
/s/ Paul Auvil **Paul Auvil**	Director	June 8, 2026
/s/ Alison Gleeson **Alison Gleeson**	Director	June 8, 2026
/s/ Shelley Leibowitz **Shelley Leibowitz**	Director	June 8, 2026
/s/ Caryn Marooney **Caryn Marooney**	Director	June 8, 2026
/s/ Steven Schuurman **Steven Schuurman**	Director	June 8, 2026