

Risk Factors Comparison 2024-06-14 to 2023-06-16 Form: 10-K

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A description of the risks and uncertainties associated with our business, industry and ownership of our ordinary shares is set forth below. ~~You should carefully consider the following risks, together with all of the other information in this Annual Report on Form 10-K, including our consolidated financial statements and the related notes thereto, before deciding whether to invest in our ordinary shares.~~ 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 affect us. If any of the following risks occur, our business, financial condition, operating results and prospects could be materially and adversely affected. In that event, the price of our ordinary shares could decline, and you could lose part or all of your investment. In addition, major geopolitical events, including any worsening of the macroeconomic environment, may exacerbate the risks described below, any of which could have a material impact on us and additional impacts that are currently not known to us may arise. ~~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 detailed description of each risk factor in the following discussion.~~ ~~• If we do not appropriately manage our future growth or are unable to improve our systems and processes, our business and results of operations will be adversely affected.~~ ~~• We have a history of losses and may not be able to achieve profitability on a consistent basis or at all or positive operating cash flow on a consistent basis.~~ ~~• Our ability to grow our business will suffer if we do not expand and increase adoption of our Elastic Cloud offerings.~~ ~~• Information technology spending, sales cycles, and other factors affecting the demand for our offerings and our results of operations have been, and may continue to be, negatively impacted by current macroeconomic conditions, including declining rates of economic growth, supply chain disruptions, inflationary pressures, increased interest rates, and other conditions discussed in this report, and by Russia's invasion of Ukraine and the resulting international political crisis and associated impacts.~~ ~~• 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, increase adoption of our cloud-based offerings, respond effectively to evolving markets or offer high quality support services.~~ ~~• 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.~~ ~~• We and our third-party vendors and service providers are vulnerable to a risk of cybersecurity attacks, phishing attacks, viruses, malware, ransomware, hacking or similar breaches from nation-state and affiliated actors.~~ ~~• Our operating results may fluctuate from quarter to quarter.~~ ~~• Actions that we are taking to reduce costs and rebalance investments under a plan we announced in November 2022 may not result in anticipated savings or operational efficiencies, could result in total costs and expenses that are greater than expected and could disrupt our business.~~ ~~• Our decision to no longer offer Elasticsearch and Kibana under an open source license may harm the adoption of those products.~~ ~~• We could be negatively impacted if the Elastic License or the Server Side Public License under which some of our software is licensed is not enforceable.~~ ~~• 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.~~ ~~• We may not be able to effectively develop and expand our sales, marketing and customer support capabilities.~~ ~~• Because we recognize the vast majority of our revenue from subscriptions, either based on actual consumption, monthly, 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.~~ ~~• Our limited history with consumption-based arrangements for our Elastic Cloud offerings is not adequate to enable us 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.~~ ~~• 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.~~ ~~• Incorrect implementation or use of our software could negatively affect our business, operations, financial results, and growth prospects.~~ ~~• 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.~~ ~~• Interruptions or performance problems, and our reliance on technologies from third parties, may adversely affect our business operations and financial results.~~ ~~• If our partners, including cloud providers, systems integrators, channel partners, referral partners, OEM and 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 will be more limited.~~ ~~• 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 possible litigation.~~ ~~• We may not be able to realize the benefits of our marketing strategies to offer some of our product features for free and to provide free trials to some of our paid features.~~ ~~• Our international business exposes us to a variety of risks, and if we are not successful in sustaining and expanding our international business, we may incur additional losses and our revenue growth could be harmed.~~ ~~• We are subject to risks associated with our receipt of revenue from sales to government entities.~~ ~~• 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.~~ ~~• An investment in our company is subject to tax risks based on our status as a non-U. S. corporation.~~ ~~• The market price for our ordinary shares has been and is likely to continue to be volatile.~~ ~~• The~~

concentration of our share ownership with insiders will likely limit your ability to influence corporate matters. • Dutch law and our articles of association include anti-takeover provisions, which may impact the value of our ordinary shares. • Claims of U.S. civil liabilities may not be enforceable against us. • We have a substantial amount of indebtedness and may not be able to generate sufficient cash to service all of our indebtedness. • 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 may fail to maintain an effective system of disclosure controls and internal control over financial reporting.

Risks Related to our Business and Industry Our business and operations have experienced rapid growth, and if we do not appropriately manage future growth, if any, or are unable to improve our systems and processes, our business, financial condition, results of operations, and prospects will may be adversely affected. We have experienced rapid growth and increased demand for our offerings. Our employee headcount and number of customers have has increased significantly. For example over the past several years, with our total number of customers has grown growing from over 2, 800 as of April 30, 2017 to approximately 20-21, 200-000 as of April 30, 2023-2024. Further, although we implemented a workforce reduction in November 2022 and may modify our hiring to align with our evolving growth plans, our employee headcount generally has increased as we have expanded our business. The growth and expansion of our business and offerings place a continuous and 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 maintain our growth plans. We must continue to improve our information technology and financial infrastructure, our operating and administrative systems, our relationships with various partners and other third parties, and our ability to manage headcount and processes in an efficient manner to manage our growth effectively. Our failure to do so 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 sustain the diversity and pace of improvements to our offerings successfully, or implement systems, processes, and controls in an efficient or timely manner or in a manner that does not negatively affect our results of operations. Our failure to improve our systems, processes, and controls, or their failure to operate in the intended manner, may result in our inability to manage the growth of our business and to forecast our revenue, expenses, and earnings accurately, or to prevent losses. We may find it difficult to maintain our corporate culture while managing our headcount. Any failure to manage our anticipated growth and related organizational changes in a manner that preserves our culture could negatively impact our future growth and achievement of our business objectives. Additionally, our productivity and the quality of our offerings may be adversely affected if we do not develop our employee talent effectively. We have a history of losses and may not be able to achieve profitability on a consistent basis or at all, and may not be able to achieve positive operating cash flow on a consistent basis. As a result, our business, financial condition, and results of operations may suffer. We have incurred losses in all years since our inception. We incurred a net loss of \$ 236. 2 million, and \$ 203. 8 million, and \$ 129. 4 million for the years ended April 30, 2023, and 2022 and 2021, respectively, and have incurred losses in all prior years since our inception. As a result, we had an accumulated deficit of \$ 1-991. 1-6 billion million as of April 30, 2023-2024. Although we had net income of \$ 61. 7 million for the year ended April 30, 2024, we expect to incur net losses in future years. We anticipate that 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, expand our operations, hire additional employees, and continue to develop our technology. These efforts may prove more expensive than we currently anticipate, 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 for a number of reasons, including slowing demand for our offerings, increasing competition, or economic downturns, including as a result of rising rates of inflation and other macroeconomic events. You should not consider our revenue growth in prior periods as indicative of our future performance. Any failure to increase our revenue or grow our business could prevent us from achieving profitability at all or on a consistent basis, which would cause our business, financial condition, and results of operations to suffer. Additionally, although we generated positive operating cash flow in fiscal 2024, 2023, and 2022, any failure to grow our business could prevent us from achieving positive operating cash flow on a consistent basis, which would could cause our business, financial condition, and results of operations to suffer. Unfavorable or uncertain conditions in our industry or the global economy or reductions in information technology spending, including as a result of adverse macroeconomic conditions, or the evolving conflict in Israel and Gaza and Russia's war with Ukraine, 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 relations, changes in inflation, foreign exchange and interest rate environments, recessionary fears, supply chain constraints, energy costs, political instability, natural catastrophes, warfare, infectious diseases and terrorist attacks, could cause a decrease in business investments by our customers and potential customers, including spending on information technology, and negatively affect the growth of our business. For example, inflation rates recently reached levels not seen in decades and have continued to create economic volatility as governments adjust interest rates in an attempt to manage the inflationary environment, which may further lead to our customers tightening their technology expenditures and investment. Further, the ongoing international political crisis resulting from the evolving conflict in Israel and Gaza and Russia's war with Ukraine could continue to have significant negative macroeconomic consequences, including on the businesses of our customers, which could negatively impact their spending on our offerings. 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 U. S. and in international markets, may lead to market-wide liquidity problems and may impact our or our customers' liquidity and, as a result, negatively affect the level of customer spending on our offerings. As a result of the foregoing conditions, our revenue may be disproportionately affected by longer and more unpredictable sales cycles, delays or reductions in customer consumption or in general information technology spending, and further impacts of changing foreign exchange rates. Further, current and prospective customers may choose to develop in-house software as an alternative to using our paid products. These factors could increase the amount of customer churn we have experienced recently and further slow consumption and overall customer expenditure. Moreover, competitors may respond to market conditions by lowering prices. If the economic conditions of the general economy or markets in which we operate do not improve, or worsen from present levels, our business, results of operations and financial condition could be adversely affected. We may not be successful in our artificial intelligence initiatives, which could adversely affect our business, reputation, or financial results. AI presents new risks and challenges that may affect our business. We have made, and expect to continue to make, continued investments to integrate AI and machine learning technology into our offerings, including increasing our technical operations and engineering in these applications. Rapid technological progress in the industry regarding new and emerging AI technologies, such as generative AI, may require additional investment in the development, integration, and maintenance of our product offerings, as well as the development of appropriate technical protections and safeguards to maintain a responsible and ethical AI framework. These requirements may add costs and could increase our expenses as we continue to expand the breadth of use and applications of AI technologies, including generative AI, further into our product offerings, or to address changes to AI technologies, frameworks, or regulations. Additionally, we may incur substantial costs in our sales and marketing efforts to promote and sell our offerings based on AI technologies, including but not limited to branding, product promotion, and demand generation as well as technical training and investments in resources for our sales personnel and partners. Despite such investments in building our product offerings and in sales and marketing, our product offerings may not be adopted by customers. We may not achieve significant revenue directly related to all of our AI-related initiatives for several years, if at all. Further, AI presents risks, challenges, and unintended consequences that could affect our ability to continue to incorporate the use of AI successfully in our business and solutions in new and novel ways. In addition, given the complex nature of AI technology, we face an evolving regulatory landscape and significant competition from other companies. Competitors may incorporate AI into their products more quickly or more successfully than we do, which could impair our ability to compete effectively and adversely affect our financial results. Data practices by us or others that result in controversy could also impair the acceptance of AI solutions, which could undermine confidence in the decisions, predictions, analysis, or other content that our AI-related initiatives produce. Any of the foregoing could adversely affect our business, reputation, or financial results. Social, ethical, and regulatory issues relating to the use of AI and similar evolving technologies in our offerings may result in new or enhanced governmental or regulatory scrutiny, reputational harm, damage to our competitive position, and liability. We have invested in and plan to continue to invest in the research and development of artificial intelligence and machine learning technologies, including generative AI. We view our continued investment in AI and generative AI research and development as an opportunity to enhance our products and services, strengthen our competitive advantage, and contribute to the responsible advancement of AI and generative AI technology. While we aim to do so in a responsible manner, social, ethical, regulatory, and legal issues relating to the use of new and evolving technologies such as AI and generative AI in our offerings may result in reputational harm and liability, as well as failures in regulatory compliance, and may cause us to incur additional research, development, and compliance costs. We are increasingly building into many of our offerings new software for integrating and creating the opportunity for our customers to integrate themselves as well as existing AI and generative AI tools in the market. As with many innovations, AI and generative AI present risks that could affect its adoption and contribution to our business. If we enable or offer solutions that draw controversy due to their perceived or actual impact on society, we may experience brand or reputational harm, competitive harm, or legal liability. Government regulation related to AI and generative AI use and ethics may also increase the burden and cost of research and development, testing, and maintenance and delay implementation of these technologies. The rapid evolution of AI will require the application of resources to develop, test and maintain our products and services to help ensure that AI and generative AI are implemented in a way that minimizes unintended, potentially harmful, or adverse impacts. It is possible that further laws and regulations will be adopted, or that existing laws and regulations may be interpreted, in ways that would affect our business and the ways in which we, our partners, and customers or potential customers use AI and machine learning technology, which may impact their use adoption of our solutions and may adversely affect our financial condition and our results of operations, including as a result of costs we incur to comply with such laws or regulations. If we experience a security incident, or unauthorized access to or other unauthorized processing of confidential information, including personal data, otherwise occurs, our software may be perceived as not being secure, customers may reduce the use of or stop using our products, and we may incur significant liabilities. In the normal course of our business, we receive, collect, manage, store, transmit and otherwise process large amounts of proprietary information and confidential data, including personal data and other sensitive information, relating to our operations, products, customers and business partners. Any cybersecurity incident affecting our networks, systems or those on which we rely could result in our loss of confidential information, including personal data, disruption to our operations, significant remediation costs, lost revenue, increased insurance premiums, damage to our reputation, litigation, regulatory investigations, fines, or other liabilities. We face sophisticated and evolving cyber threats from individual hackers, criminal groups, and state-sponsored organizations, as well as risks that employees, contractors or other insiders, particularly those with

connectivity to our systems, may introduce vulnerabilities into our environments, facilitate a cyber attack, or take action to misappropriate our intellectual property and proprietary information. As a provider of security solutions, we have been and may continue to be specifically targeted by threat actors for attacks intended to circumvent our security capabilities as an entry point into customers' endpoints, networks, or systems. Our industry continues to see a large volume of unauthorized scans of systems searching for vulnerabilities or misconfigurations to exploit. Attempted cyber attacks of our systems can deploy such malicious techniques, among others, as phishing, ransomware, credential stuffing, distributed denial of service, network intrusions, malware, domain name system spoofing, exploitation of zero-day vulnerabilities, and structural query language injection. While our security systems and controls have successfully protected us against, and mitigated the impacts of, many past attacks of this nature, we expect that we will experience similar incidents in the future. If our security measures are compromised, we may face a loss in intellectual property protection, our data, or our customers' data, and our reputation may be damaged, our business may suffer, and we could be subject to claims, demands, regulatory investigations, and other proceedings and indemnity obligations and otherwise incur significant liability. Even the perception of inadequate security or an inability to maintain security certifications, maintain a security program in line with industry standards, or to comply with our customer or user agreements, contracts with third-party vendors or service providers or other contracts may damage our reputation, cause a loss of confidence in our security solutions and negatively affect our ability to win new customers and retain existing customers. Further, we could be required to expend significant capital and other resources to address any security incident, and we may face difficulties or delays in identifying and responding to any cybersecurity incident. If our systems or networks or those on which we rely suffer severe damage, disruption or shutdown and our business continuity plans do not effectively resolve the issues in a timely manner, we could experience delays in reporting our financial results, and we may lose revenue and profits as a result of our inability to timely produce, distribute, invoice and collect payments for our products and services. In addition, many of our customers may use our software for processing their confidential information, including business strategies, financial and operational data, personal information and other related data. As a result, unauthorized access to or use of our software or such data could result in the loss, compromise, corruption or destruction of our customers' confidential information. Such access or use could also hinder our ability to obtain and maintain information security certifications that support customers' adoption of our products and our retention of those customers. We expect to continue incurring significant costs in connection with our implementation of administrative, technical and physical measures designed to protect the integrity of our customers' data and prevent data loss, misappropriation and other security incidents. We engage third-party vendors and service providers to store and otherwise process some of our and our customers' data, including sensitive and personal information. There have been and may continue to be significant supply chain attacks generally, and our third-party vendors and service providers may be targeted or affected by such attacks and other efforts to exploit cybersecurity vulnerabilities. Our ability to monitor our third-party vendors and service providers' data security is limited. Threat actors may be able to circumvent those security measures and gain unauthorized access to, or cause misuse, disclosure, loss, destruction or other unauthorized processing of, our and our customers' data, including sensitive and personal information. Further, threat actors may attempt to deploy malicious code to users of the open source libraries leveraged by our products, which could negatively affect us and those users. Techniques used to sabotage or obtain unauthorized access to systems or networks are constantly evolving and, in some instances, are not identified until launched against a target. We and our third-party vendors and service providers may be unable to anticipate these techniques, react to them in a timely manner, or implement adequate preventative measures. Because of the complexity and interconnectedness of our systems and networks and those on which we rely, the process of upgrading or patching our protective measures could itself create a risk of cybersecurity issues 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 ability to grow our business will depend significantly on the expansion and may suffer if we are unable to expand adoption of our Elastic Cloud offerings. We believe our future success will depend significantly on the growth in the adoption of Elastic Cloud, our family of cloud-based offerings. We have incurred and will continue to incur substantial costs to develop, sell and support our Elastic Cloud offerings. We have also entered into non-cancelable multi-year cloud hosting capacity commitments with certain third-party cloud providers, which require us to pay for such capacity irrespective of actual usage. We believe that we must offer a family of cloud-based products to address the market segment that prefers a cloud-based solution to a self-managed solution and that there will be increasing demand for cloud-based offerings of our products. For the years ended April 30, 2024, 2023, and 2022, and 2021, Elastic Cloud contributed 43 %, 40 %, and 35 %, and 27 % of our total revenue, respectively. However, 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. There could be decreased demand for our cloud-based offerings due to reasons within or outside of our control, including, among other things factors, lack of customer acceptance, technological challenges with bringing cloud offerings to market and maintaining those offerings, information security, data protection, or privacy concerns, our inability to properly manage and support our cloud-based offerings, competing

technologies and products, weakening economic conditions, and decreases in corporate spending. If we are not able to develop, market, or deliver cloud-based offerings that satisfy customer requirements technically or commercially, if our investments in cloud-based offerings do not yield the expected return, or if we are unable to decrease the cost of providing our cloud-based offerings, our business, competitive position, financial condition and results of operations may be harmed. **Unfavorable or uncertain conditions in our..... condition, operating results, and reputation**. 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 flow and deferred revenue, have fluctuated from quarter-to-quarter in the past and may continue to vary significantly in the future so that period-to-period comparisons of our results of operations may not be meaningful. These variations may be further impacted as more of our Elastic Cloud customers adopt consumption-based arrangements or as Elastic Cloud customers already on consumption-based arrangements optimize their usage in response to the current macroeconomic environment. Accordingly, our financial results in any one quarter should not be relied upon as indicative of future performance. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control, may be difficult to predict, and may or may not fully reflect the underlying performance of our business. Factors that may cause fluctuations in our quarterly financial results include:

- our ability to attract new customers and retain existing customers;
- the **risks** loss of existing customers;
- customer renewal rates;
- our ability to successfully expand our business in the U. S. and internationally;
- general political, geopolitical, economic, industry and market conditions (including recessionary pressures or uncertainties in the global economy);
- our ability to foster an ecosystem of developers and users to expand the use cases of our products;
- our ability to gain new partners and retain existing partners;
- fluctuations in the growth rate of the overall market that our products address;
- fluctuations in the mix of our revenue, which may impact our gross margins and operating income;
- the amount and timing of operating expenses related to the maintenance and expansion of our business and operations, including investments in sales and marketing, research and development and general and administrative resources;
- network outages or performance degradation of Elastic Cloud;
- actual or perceived breaches of, or failures or incidents relating to, privacy, data protection or information security;
- our recent plan to reduce costs and rebalance investments;
- additions or departures of key personnel;
- the impact of catastrophic events, man-made problems such as terrorism, natural disasters and public health epidemics and pandemics;
- Russia's invasion of Ukraine and the related impact on macroeconomic conditions;
- increases or decreases in the number of elements of our subscriptions or pricing changes upon any renewals of customer agreements;
- changes in our pricing policies or those of our competitors;
- the budgeting cycles and purchasing practices of customers;
- decisions by potential customers to purchase alternative solutions;
- decisions by potential customers to develop in-house solutions as alternatives to our products;
- insolvency or credit difficulties confronting our customers, which could adversely affect their ability to purchase or pay for our offerings;
- our ability to collect invoices or receivables in a timely manner;
- delays in our ability to fulfill our customers' orders;
- the cost and potential outcomes of future litigation or other disputes;
- future accounting pronouncements or changes in our accounting policies;
- our overall effective tax rate, including impacts caused by any reorganization in our corporate tax structure and any new legislation or regulatory developments;
- fluctuations in stock-based compensation expense;
- fluctuations in foreign currency exchange rates;
- the impact of changing inflation and interest rate environments;
- the timing and success of new offerings introduced by us or our competitors or any other change in the competitive dynamics of our industry, including consolidation among competitors, customers, or partners;
- the timing of expenses related to the development or acquisition of technologies or businesses and potential future charges for impairment of goodwill from acquired companies;
- and other risk factors described **in this "Risk Factors" section and elsewhere** in this Annual Report on Form 10-K. The impact of one or more of ~~the~~ **these foregoing or other** factors may cause our operating results to vary significantly. Such 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 we could face costly lawsuits, including securities class action suits, which could have an adverse effect on our business. **Seasonality may cause** We are exposed to fluctuations in currency exchange rates, which could negatively affect our **sales and 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 and, results of operations. A portion of our subscription revenue is generated, and **cash flows are** a portion of our operating expenses is incurred, outside the United States in foreign currencies. Fluctuations in the value of the U. S. dollar versus foreign currencies, particularly with respect to the Euro and the British Pound Sterling, may impact **impacted by seasonality** our operating results when translated into U. S. dollars. Exchange rates have been volatile as a result of the Russian invasion of Ukraine and related events and uncertain macroeconomic conditions, and this volatility may continue. A strengthening of the U. S. dollar could adversely affect year-over-year growth and increase the real cost of our offerings to our non-U. S. dollar customers, leading to delays in the purchase of our offerings and the lengthening of our sales cycle. **If, 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 has occurred in prior periods, the strength of the U. S. dollar increases, our financial condition and results of operations could be negatively affected. In addition, increased international sales in the future, including through our channel partners, may result in greater foreign currency denominated sales, increasing our foreign currency risk. Moreover, operating expenses incurred outside the United States in foreign currencies are increasing and are subject to fluctuations due to changes in foreign currency exchange rates. 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. Actions that we have taken to reduce costs and rebalance investments may not result in anticipated savings or operational efficiencies, could result in total costs and expenses

that are greater than expected, and could disrupt our business. In November 2022, we announced and began implementing a plan to reduce our workforce by approximately 13 % and optimize facilities-related costs. We adopted this plan to improve operational efficiencies and align our investments more closely with our strategic priorities. We may incur additional expenses associated with the reduction in our workforce not contemplated by our plan such as employment litigation costs, which may have an impact on other areas of our liabilities and obligations and contribute to **continue to target larger enterprise** losses in future periods. We may not realize, in full or in part, the anticipated benefits and savings from our plan due to unforeseen difficulties, delays or unexpected costs. If we are unable to realize the expected operational efficiencies and cost savings, our operating results and financial condition would be adversely affected. Furthermore, ongoing implementation of our plan may be disruptive to our operations. For example, our workforce reduction could result in attrition beyond planned staff reductions, increased difficulties in our day-to-day operations, and reduced employee morale. If employees who were not affected by the reduction in force seek alternative employment, we could incur unplanned additional expense to ensure adequate resourcing and fail to attract and retain qualified management, sales and marketing personnel who are critical to our business. Our failure to do so could harm our business and our future performance. If we are unable to increase sales of our subscriptions to new customers, sell additional subscriptions to our existing..... decline, and our business will suffer. If our existing customers do not renew their subscriptions, our business and results of operations may be adversely affected. We derive a significant portion of our revenue from renewals of existing subscriptions. Our customers have no contractual obligation to renew their subscriptions after the completion of their subscription term. Our subscriptions for self-managed deployments typically range from one to three years, while many of our Elastic Cloud customers purchase subscriptions either on a month-to-month basis or on a committed contract of **generally at least one to three year years** in duration. Our customers' **renewal rates** may decline or fluctuate to **renew their contracts** as a result of a number of factors, including **their budgets**, their satisfaction with our products and our customer support, our products' ability to integrate with new and changing technologies, the frequency and severity of product outages, our product uptime or latency, and the pricing of our **products** or competing **products**. If our customers renew their subscriptions, they may renew for shorter subscription terms or on other terms that are less economically beneficial to us. If our existing customers do not renew their subscriptions, or renew on less favorable terms, our revenue may grow more slowly than expected or decline. **may** be adversely affected. We believe that developing and maintaining widespread awareness of our brand, especially with developers **and executives with budgetary control**, is critical to achieving widespread acceptance of our software and attracting new users and customers. We also believe that the importance of brand recognition will increase as competition in our market increases. Successfully maintaining and enhancing our brand will depend largely on the effectiveness of our marketing efforts, our ability to maintain our customers' trust, our ability to continue to develop new functionality and use cases, and our ability to successfully differentiate our products and platform capability from competitive products. Brand promotion activities may not generate user or customer awareness or increase revenue. Even if they do, any increase in revenue 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 realize a sufficient return on our brand-building efforts, or to achieve the widespread brand awareness that is critical for broad customer adoption of our products, which would adversely affect **our business and results**. 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 in part on 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 deal complexity 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 impacted due to worsening economic conditions. In addition, some customers have been scrutinizing their spending more carefully and reducing their consumption spending given the current uncertain economic environment, and we generally expect this **caution** to continue. We have also experienced and, if adverse economic conditions persist, may continue to experience longer and more unpredictable sales cycles. As we target more of our sales efforts at larger enterprise customers, we may face greater costs, longer sales cycles, greater competition and less predictability in completing some of our sales. A customer's decision to use our solutions may be an enterprise-wide decision, which may 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 **will could** suffer if revenue falls below our expectations in a particular quarter. **Our decision to no longer offer Elasticsearch..... condition, and results of operations.** Because we recognize the vast majority of the revenue from subscriptions, either based on actual consumption **monthly**, 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, **comprising constituting 93 %, 92 %, 93 %, and 93 %** of total revenue for the years ended April 30, **2024, 2023, and 2022 and 2021**, respectively. 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, monthly, or ratably, over the term of the relevant time period. As a result, much of the subscription revenue we report each fiscal quarter represents the recognition of deferred revenue from subscription contracts entered into during previous fiscal quarters. Consequently, a decline in new or renewed subscriptions in any one fiscal quarter will not be fully or immediately reflected in revenue in that fiscal quarter and will negatively affect our revenue in future fiscal quarters. ~~unable to maintain our relationships with these partners, our business, results of operations, financial condition or cash flows could be harmed.~~ The sales prices of our offerings may decrease, which may reduce our **revenue and** gross profits and adversely affect our financial results. The sales prices for our offerings may decline or we may introduce new pricing models for a variety of reasons, including competitive pricing pressures, discounts, in anticipation of or in conjunction with the introduction of new offerings, or promotional programs. Competition continues to increase in the market segments in which we operate, and we expect competition to continue to increase, thereby leading to increased pricing pressures. Larger competitors with more diverse offerings may reduce the price of offerings that compete with ours or may bundle them with other offerings. Additionally, currency fluctuations in ~~certain~~ **some** countries and regions and pressures from uncertain inflation and interest rate environments may negatively impact actual prices that customers and channel partners are willing to pay in those countries and regions. Any decrease in the sales prices for our offerings **may reduce our revenue and gross profit, without unless accompanied by an increase in volume to offset the effects of such price decreases, or in the case of gross profit, unless accompanied by a corresponding decrease of sufficient magnitude** in costs ~~or increase in volume, would adversely impact our gross profit.~~ Gross profit could also be adversely impacted by a shift in the mix of our subscriptions from self-managed to our cloud offering, for which we incur hosting costs, as well as any increase in our mix of services relative to subscriptions. ~~We may~~ **We do not have** ~~be able to maintain our prices an and adequate history with gross profits at levels that will allow us to achieve and maintain profitability. 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 our~~ ~~our~~ ~~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 43 %, 40 %, and 35 % of our total revenue in fiscal 2024, 2023 and 2022, respectively,** will continue to become a larger part of our revenue mix. Due to 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 revenue recognized. The **variation in our revenue also may result from the** growth of ~~consumption-~~ ~~consumption-~~ based arrangements for our Elastic Cloud offerings ~~to predict accurately the long-term rate of customer adoption or renewal, where or the impact those-- the arrangements will have on our near-term or long-term revenue or operating results. We expect that our consumption-based arrangements for our Elastic Cloud offerings will continue to increase, both in amount and as a percentage of our total revenue. Because we recognize revenue under is tied to our customers' actual usage of our products, and further reduction in usage by customers already using a consumption-based arrangement based on actual customer consumption due to the uncertain macroeconomic environment. Further, we do not have our gross margins and operating results could be harmed by changes in revenue mix and costs, together with numerous the other same visibility factors, including our entry into new markets the timing of revenue recognition as we do under subscription arrangements where revenue is recognized on a predetermined schedule over the subscription term. Additionally, customers may consume our or products at a growth in lower margin markets; our entry into markets with different pricing pace than we expect. For example, we have experienced and cost structures; pricing discounts; 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 increased price competition their consumption of our solutions at a slower pace than our more tenured customers. For these reasons, our revenue may be less predictable or more variable than our historical revenue, and our actual results may differ materially from our forecasts.~~ We depend on our senior management and other key employees, and the loss of one or more of these 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. Further, our ability to attract additional qualified personnel may be impacted by the economic uncertainty and insecurity caused by macroeconomic factors and geopolitical events. The loss of services of any of our key personnel also increases our dependency on other key personnel who remain with us. Although we have entered into employment offer letters with our key personnel, their employment is for no specific duration and constitutes at-will employment. We are also substantially dependent on the continued service of our existing engineering personnel because of the complexity of our products. Our future performance also depends on the continued ~~services-~~ **service** and continuing contributions of our senior management, particularly our Chief Executive Officer, Ashutosh Kulkarni, and Chief Technology Officer, co-founder and former Chief Executive Officer, Shay Banon, to execute on our business plan 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 senior management could significantly delay or prevent the achievement of our development and strategic objectives, which could adversely affect our business, financial condition, and results of operations. Any search for senior management in the future or any search to replace the loss of any senior management may be protracted, and we may not be able to attract a qualified candidate or replacement, as applicable, in a timely manner or at all, particularly as potential candidates may be less willing to change jobs during the unstable economic conditions caused by macroeconomic and geopolitical events. The industry in which we operate is generally characterized by significant competition for skilled personnel as well as high employee attrition. The increased availability of

hybrid or remote working arrangements within our industry has further expanded the pool of companies that can compete for our employees and employment candidates. We may not be successful in attracting, integrating, or retaining qualified personnel to fulfill our current or future needs. We may need to invest significant amounts of cash and equity to attract and retain new employees, and we may never realize returns on these investments. Also, 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, which require us to invest significant financial and other resources, 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 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 on 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. **For example, we may need to provide additional training and development to our sales personnel in relation to understanding and selling consumption-based arrangements and expanding customer usage of our offerings over time.** New hires also require extensive training, which may take significant time before they achieve full productivity. Our recent hires and planned hires may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. As we continue to grow rapidly, a large percentage of our sales force will have relatively little experience working with us, our subscriptions, and our business model. Additionally, we may need to evolve our sales compensation plans to drive the growth of our Elastic Cloud offerings with consumption-based arrangements. Such changes may have adverse consequences if **they are** not designed effectively. 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 growth and **results of operations could be negatively impacted. Our failure to offer high-quality customer support could have an adverse effect on our business and results of operations. After our products are inherently deployed within our customers' IT environments, our customers depend on 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 on 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 enterprise customers, despite extensive testing it may be more difficult to increase sales with them. Additionally, 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. Due to the uncertainty related to macroeconomic conditions, there may also be 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 control, **support services would have in the past and an adverse effect on or our errors, especially when first introduced, business and results of operations. Our corporate culture has contributed to or our otherwise not perform success, and if we cannot maintain this culture as we grow** contemplated. These defects, **we 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 innovation use of our products, creativity and entrepreneurial spirit** 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 **worked** issued in the past, and may need to **foster** issue in the future, corrective releases of our software to fix these defects, errors or performance failures, which could **require us harm our business. We believe that our culture has been and will continue to allocate be a key contributor to our success. We expect to continue to hire as we expand. If we do not continue to maintain our corporate culture as we grow, we may be unable to foster the innovation, creativity, and entrepreneurial spirit we believe we need to support our growth. Moreover, many of our existing employees may be able to receive significant proceeds from sales of our ordinary shares in research and development and customer support resources to address these the problems. Any limitation public markets, which could lead to employee attrition and disparities of liability provisions wealth among our employees that may be contained in our customer-might adversely affect relations among employees and partner agreements-our culture in general. Additional headcount growth and employee turnover may result in a change to our corporate culture, which could harm our business. We may not be effective as a result able to realize the benefits of existing or our future applicable law marketing strategies to offer some of or our unfavorable judicial decisions-product features free of charge and to provide free trials of**

some of our paid features. We are dependent upon lead generation strategies, including offering 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 and support 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 successfully attract, paying customers, we will not realize the intended benefits of the these risk of marketing strategies and our liability-- ability claims, which could to grow our revenue will be substantial in light of the adversely affected. Our international operations and expansion expose use- us to a variety of our products- risks. As of April 30, 2024, we had customers located in enterprise- wide environments over 125 countries, and our strategy is to continue to expand internationally. In addition, as of April 30, 2024, as a result of our insurance against this liability may not be adequate to strategy of leveraging a distributed workforce, we had employees located in cover- over 35 countries a potential claim. Interruptions or performance problems associated- Our current international operations involve and future initiatives may involve a variety of risks, including: • political and economic instability related to international disputes, such as the evolving conflict in Israel and Gaza and Russia' s war with Ukraine our technology and the related impact infrastructure, and our reliance- on technologies on macroeconomic conditions as a result of such conflict- conflicts, which may negatively impact our customers, partners, and vendors; • unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or other trade restrictions; • different labor regulations, especially in the European Union, where labor laws are generally more advantageous to employees than in as compared to the United States, including deemed hourly wage and overtime regulations in these locations; • exposure to many stringent regulations relating to privacy, data protection and information security, particularly in the European Union, and potentially inconsistent laws and regulations in these areas across countries relating to privacy, data protection and information security; • changes in a specific country' s or region' s political or economic conditions; • the evolving relations between the United States and China; • changes in relations between the Netherlands and the United States; • risks resulting from changes in currency from third parties, may adversely affect 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 our- or pandemics business operations and financial results. We rely on on our employees, partners, and customers; • challenges inherent to 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 including the Export Administration Regulations (" EAR "), and 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 third- party international disputes, such as Russia' s invasion of Ukraine and the related impact on macroeconomic conditions as a result of such conflict, which may negatively impact our customers, partners, and vendors; • unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or other trade restrictions; • different labor regulations, especially in the European Union, where labor laws are generally more advantageous to employees as compared to the United States, including deemed hourly wage and overtime regulations in these locations; • exposure to many stringent, particularly in the European Union, and potentially inconsistent laws and regulations relating to privacy, data protection and information security; • changes in a specific country' s or region' s political or economic conditions; • the evolving relations between the United States and China; • changes in relations between the Netherlands and the United States; • 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 to 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 including the Export Administration Regulations, and 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 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; • political, economic and trade uncertainties or instability related to the United Kingdom' s withdrawal from the European Union (Brexit); • limited or unfavorable intellectual property protection; and • exposure to liabilities under anti- corruption and anti- money laundering laws, including the U.S. Foreign Corrupt Practices Act of 1977, as amended (" FCPA "), and similar applicable laws and regulations in other jurisdictions. If we are unable to address these difficulties and challenges or other problems encountered in connection with our international operations and expansion, we might incur unanticipated liabilities or we might otherwise suffer harm to our business generally. If we are not successful in sustaining and expanding our international business, we may incur additional losses and our revenue growth could be harmed. Our future results depend, in part, on our ability to sustain and expand our penetration of the international markets in which we currently operate and to expand into additional international markets. We depend on direct sales and our channel partner relationships to sell our offerings in international markets. Our ability to expand internationally will depend upon our ability to deliver functionality and foreign language translations that reflect the needs of the international clients that we target. Our ability to expand internationally 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, our international growth may be limited. In addition, we have incurred and may continue to incur significant expenses before we **in advance of** generate **generating** material revenue as we attempt to establish our presence in particular international 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 subscription revenue is generated, and a portion of our operating expenses is incurred, outside the United States in foreign currencies. Fluctuations in the value of the U.S. dollar versus foreign currencies, particularly with respect to the Euro and the British Pound Sterling, may impact our operating results when translated into U.S. dollars. Exchange rates have been volatile as a result of geopolitical conflicts and uncertain macroeconomic conditions, and this volatility may continue. A strengthening of the U.S. dollar could adversely affect year-over-year growth and increase the real cost of our offerings to our non-U.S. dollar customers, leading to delays in the purchase of our offerings and the lengthening of our sales cycle. If, as has occurred in recent periods, the strength of the U.S. dollar increases, our financial condition and results of operations could be negatively affected. In addition, increased international sales in the future, including through our channel partners, may result in greater foreign currency-denominated sales, increasing our foreign currency risk. Moreover, operating expenses incurred outside the United States in foreign currencies are increasing and are subject to fluctuations due to changes in foreign currency exchange rates. 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-reduce** our ability to compete and could harm our business. We may need to raise additional funds in the future, and we 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. Furthermore, if we engage in debt financing, the holders of debt would have priority 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 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 do any of these things could **limit our ability to compete and** harm our business, **financial condition, and results of operations**. Our generation of a portion of our revenue by sales to government entities subjects us to a number of risks. ~~We generate an increasing portion of our revenue from sales to U.S. and non-U.S. government entities.~~ Sales to government entities are subject to a number of risks. Selling to government entities can be highly competitive, expensive, and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. Government certification and security requirements for products like ours may change, thereby restricting our ability to sell into the U.S. federal government sector, U.S. state ~~or local~~ government sector, or government sectors of countries other than the United States until we have obtained the revised certification or met the changed security requirements. If we are unable to timely meet such requirements, our ability to compete for and retain federal government contracts may be diminished, which could adversely affect our business, results of operations and financial condition. Government entities may have statutory, contractual, or other legal rights to terminate contracts with us or our channel partners for convenience or due to a default, and any such termination may adversely affect our future results **of operations**. 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 exercise of options under multi-year contracts. 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 or unfavorable findings from government audits or reviews could result in contract terminations, reputational harm or other adverse consequences, including but not limited to ineligibility to sell to government agencies in the future, **the** government ~~refusal-refusing~~ to continue buying our subscriptions, a reduction of revenue, or fines or civil or criminal liability, which could adversely affect our results of operations in a material way. ~~If we are unable to maintain successful relationships~~ **cloud platforms-providers such as Amazon, Google, and Microsoft, systems integrators, channel partners, referral partners, OEM and MSP partners, and technology partners, to host-deliver offerings to our end customers and complement our broad community of users. In particular, we partner with various cloud providers to jointly market, sell and deliver our Elastic Cloud offerings, which in some instances also involves technical integration with such cloud providers. Our ability to achieve revenue growth in the future will depend in part on our success in maintaining successful relationships with our partners and in helping our partners enhance their ability to market and sell our subscriptions.** ~~If we experience~~ **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 own or may cease selling our offerings altogether. If our partners do not effectively market and sell our offerings, choose to use greater efforts to market and sell their own offerings or those of our competitors, fail to provide adequate technical integration with their own offerings, fail to meet the needs of our customers, fail to deliver services to our customers, or if**

we lose one or more of our channel partners, our ability to expand our business and sell our offerings may be harmed. Our partners may cease marketing our offerings with limited or no notice and with little or no penalty. The loss of a substantial number of our partners, our possible inability to replace them, or the failure to recruit additional partners could harm our performance. In addition, many of our new channel partners require extensive training and may take several months or more to become effective in marketing our offerings. Our channel partner sales structure could subject us to lawsuits, potential liability, misstatement of revenue, and reputational harm, if, for example, any of our channel partners misrepresents the functionality of our offerings to customers or violates laws or our or their corporate policies, including our terms of business, which in turn could impact reported revenue, deferred revenue, and remaining performance obligations. Our decision to no longer offer Elasticsearch and Kibana under an interruption in service for any reason open source license may harm the adoption of Elasticsearch and Kibana. In February 2021, our cloud offerings would similarly with the release of version 7.11 of the Elastic Stack, we changed the source code of Elasticsearch and Kibana which had historically been licensed under Apache 2.0, to be interrupted dual licensed under Elastic License 2.0 and the SSPL, at the user's invasion election. Neither the Elastic License nor the SSPL has been approved by the Open Source Initiative or is included in the Free Software Foundation's list of Ukraine-free software licenses. Further, adverse economic-neither has been interpreted by any court. While the vast majority of downloads of Elasticsearch and Kibana from mid-2018 through early 2021 were licensed under the Elastic License, the removal of the Apache 2.0 alternative could negatively impact certain developers for whom the availability of an open source license was important. In addition, some developers and the companies for whom they work may be hesitant to download or upgrade to new versions of Elasticsearch or Kibana under the Elastic License or SSPL because of uncertainty regarding how these licenses may be interpreted and enforced. Other developers, including competitors of Elastic such as Amazon, have announced that they have "forked" Elasticsearch and Kibana, which means they have developed their own product or service that is based on features of Elasticsearch and Kibana that we had previously made available under an open source license. For example, Amazon has launched an open source project called OpenSearch based on a forked version of the Elastic Stack, which is licensed under Apache 2.0, and rebranded their existing Elasticsearch Service as OpenSearch Service. The combination of uncertainty around regarding our dual license model and the potential competition from the forked versions of our software may negatively impact adoption of Elasticsearch and Kibana, which in turn could lead to reduced brand and product awareness and to a decline in paying customers, which could harm our ability to grow our business or achieve profitability. We could be negatively impacted if the Elastic License or SSPL, under which some of our software is licensed, is not enforceable. We make the source code of our products available under Apache 2.0, the Elastic License, or as dual licensed under the Elastic License and SSPL, depending on the product and version. 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 increased energy prices could also disrupt distribute the licensed software so long as they do not offer access supply chain of hardware needed to maintain the software as a cloud service, interfere with the license key our- or remove proprietary notices. SSPL is a source-available license that is based on the GNU Affero General Public License ("AGPL") open source license and permits licensees to copy, modify and distribute SSPL-licensed software, but expressly requires licensees that offer the SSPL-licensed software as a third-party data center operations. An interruption in our services- service to our customers 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 all of the software may increase this risk that they use to offer such service. We rely upon the enforceability of the restrictions set forth in the Elastic License and SSPL to protect our proprietary interests. If a court were to hold that the Elastic License our- or SSPL website is unavailable or our- or users certain aspects of these licenses are unenforceable unable to download our products or order subscriptions or services within a reasonable amount of time or at all, others may our business could be harmed. We expect to continue to make significant investments to maintain and improve website performance and to enable-- able to use rapid releases of new features and applications for our products. To software to compete with us in the extent that we do marketplace in a manner not effectively upgrade-- subject to the restrictions set forth in the Elastic License our- or SSPL systems as needed and continually develop our..... adversely affect our business and growth prospects. If third parties offer inadequate or defective implementations of software that we have previously made available under an open source license, we our reputation could be harmed experience lost sales and lack of market acceptance of our products. Certain cloud hosting providers and managed service providers, including AWS, offer hosted products or services based on a forked version of the Elastic Stack, which means they offer a service that includes some of the features that we had previously made available under an Open open Source source license. These offerings are not supported by us and come 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. 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, business, operations, financial results, 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, and / or security vulnerabilities may result. For example, there have been, and may in the future continue to be, reports that some of our customers have not properly secured implementations of our products, which can result in unprotected data. Because our customers rely on our software to manage a wide range of operations, the incorrect implementation or use of our software, our customers' failure to update our software, or our failure to train customers on how to use our software productively, may result in customer dissatisfaction or negative publicity and may adversely affect our reputation and brand. Failure by us to provide adequate training and implementation services to our customers could result in lost opportunities for follow-on sales to these customers and decrease subscriptions by new customers, and adversely affect our business and growth prospects. If our website fails to rank prominently in unpaid search results, traffic to our website could decline and revenue our business would could be adversely affected. Our success depends in part on our ability to attract users through unpaid Internet search results on traditional web search engines, such as Google. The number of users we attract to our website from search engines is due in large part to how and where our website ranks in unpaid search results. These rankings can be affected by a number of factors, many of which are not in our direct control, and they may change frequently. For example, a search engine may change its ranking algorithms, methodologies or design layouts. As a result, links to our website may not be prominent enough to drive traffic to our website, and we may not know how or otherwise be in a position to influence the results. Any reduction in the number of users directed to our website could reduce our revenue or require us to increase our customer acquisition expenditures. Our business operations and sales performance could suffer be disrupted if we fail to maintain satisfactory relationships with third-party service providers on which we rely for many aspects of our business. Our success depends upon our relationships with third-party service providers, including providers of cloud hosting infrastructure, customer relationship management systems, financial reporting systems, human resource management systems, credit card processing platforms, marketing automation systems, and payroll processing systems, among others. If any of these third parties experience difficulty meeting our requirements or standards, become unavailable due to extended outages or interruptions, temporarily or permanently cease operations, face financial distress or other business disruptions such as a security incident, or increase their fees, if our relationships with any of these providers deteriorate, or if any of the agreements we have entered into with such third parties are terminated or not renewed without adequate transition arrangements, we could suffer liabilities, penalties, fines, increased costs and delays in our ability to provide customers with our products and services, our ability to manage our finances could be interrupted, receipt of payments from customers may be delayed, our processes for managing sales of our offerings could be impaired, our ability to generate and manage sales leads could be weakened, or our business operations could be disrupted. Further, our business operations may be disrupted by negative impacts of the evolving conflict in Israel and Gaza and Russia's invasion of war with Ukraine on supply chains of our third-party service providers. Any such disruptions may adversely affect our financial condition, results of operations or cash flows until we replace such providers or develop replacement technology or operations. In addition, our business may suffer if we are unsuccessful in identifying high-quality service providers, negotiating cost-effective relationships with them or effectively managing these relationships. Failure If we are not able to establish, maintain and enhance protect our proprietary technology brand -- and intellectual property rights could substantially harm, especially among developers, our ability to expand our customer base will be impaired and our business and operating results may be adversely affected. We believe..... would adversely affect our business and results of operations. Our corporate culture has contributed to..... analysts or investors for a particular period. Our success depends to a significant degree on our ability to establish, maintain and protect our proprietary technology, methodologies, know-how and brand. 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 the proprietary features for some versions of the Elastic Stack offered under certain licenses is publicly available, which may enable others to replicate our proprietary technology and compete more effectively with us. If we fail to protect our intellectual property rights adequately, our competitors may gain access to our proprietary technology and our business may be harmed. In addition, defending our intellectual property rights might entail significant expense and resource allocation. Any patents, trademarks, or other intellectual property rights that we have or may obtain may be challenged by others or invalidated through administrative process or litigation. Patent applications we file may not result in issued patents. Even if we continue to seek patent protection in the future, we may be unable to obtain further patent protection for certain aspects of our technology. In addition, any patents issued in the future may not provide us with competitive advantages, or may be successfully challenged by third parties. Furthermore, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain and will vary by jurisdiction. Despite our precautions, it may be possible for unauthorized third parties to copy our products and use information that we regard as proprietary to create offerings that compete with ours. Effective patent, trademark, copyright, and trade secret protection may not be available to us in every country in which our products are available. We may be unable to prevent third parties from acquiring domain names, social media names, or trademarks that are similar to, infringe upon, or diminish the value of our trademarks and other proprietary rights. The laws of some countries are not as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate to achieve our objectives. As we expand our international activities, our exposure to unauthorized

copying and use of our products and proprietary information will likely increase. We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with other parties. These agreements may not be effective in controlling access to and distribution of our proprietary information. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our products. Our ability to enforce such agreements may be adversely affected if **a rule adopted by the Federal Trade Commission adopts a (“ FTC ”) in April 2024 withstands legal challenge. If the FTC rule takes effect, it proposed in January 2023 that would prohibit deem unlawful existing non- compete provisions in employment agreements - Although the proposed rule generally entered into with workers who are not “ senior executives, ” and would ban us from entering into new** not apply to other types of employment restrictions, such as confidentiality agreements, such employment restrictions could be subject to the rule if they are so broad in scope that they function as non- competes- **compete agreements with any worker, including senior executives . In order to- The FTC states that whether a given prohibition constitutes a non- compete agreement is a fact- specific inquiry so that a confidentiality undertaking, if sufficiently broad, might be seen by the FTC as a prohibited non- compete agreement. To** protect our intellectual property rights, we may be required to spend significant resources to monitor and protect our intellectual property rights. Litigation has previously been, and may in the future be, necessary to enforce **and protect** our intellectual property rights **and to protect our trade secrets**. 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 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 our intellectual property 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 substituting 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 visibility, we face a higher risk of being the subject of intellectual property infringement, misappropriation or violation claims. The risk of patent litigation has been amplified by the increase in the number of a type of patent holder, which we refer to as a non- practicing entity, whose sole or principal business is to assert such claims and against whom our own intellectual property portfolio may provide little deterrent value. We could incur substantial costs in prosecuting or defending any intellectual property litigation. **While we do not provide large language models, our products and solutions may contain integrations of third party large language models, which may indirectly expose us to copyright infringement or other intellectual property misappropriation claims depending on the datasets and training models used by such third parties in their AI and generative AI offerings.** If we sue to enforce our rights or are sued by a third party that claims that our products infringe, misappropriate or violate ~~their~~ **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. If we are required to make substantial payments or undertake any of the other actions noted above as a result of any intellectual property infringement, misappropriation or violation claims against us or any obligation to indemnify our customers for such claims, such payments or actions could harm our business. Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement, misappropriation, violation and other losses. Our agreements with customers and other third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, misappropriation or violation, damages caused by us to property or persons, or other liabilities relating to or arising from our software, services or other contractual obligations. Large indemnity payments could harm our business, results of operations and financial condition. Although we normally contractually limit our liability with respect to such indemnity obligations, we may still incur substantial liability related to them. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other existing customers and new customers and harm our business and results of operations. Our **use of third- party open source software within our products could negatively affect our ability to sell our products and subject us to litigation. Our** technologies **strategically** incorporate open source software from other developers, and we expect to continue to incorporate such open source software in our products in the future. Few of the licenses applicable to open source software have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products. Moreover, we may not have incorporated third- party open source software in our software in a manner that is ~~inconsistent~~ **consistent** with the terms of the applicable license or our current policies and procedures. If we fail to comply with these licenses, we may be subject to certain requirements, including requirements that we offer our solutions that incorporate the open source software for no cost, that we make available source code for modifications or derivative works we create based upon ~~incorporating or using the open source software, and that we license such modifications or derivative works under the terms of applicable open source licenses~~ **. Additionally, 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 compliance of integrating such open source and generative AI components with licensing terms, regulatory changes, and our required intellectual property guidelines and legal requirements to do business may result in the expenditure of significant resources and in our failure to meet all relevant, material software release timetables and requirements. Moreover, changes in supply chain and export control regulations imposed by the United States and other governments due to geopolitical changes and government policies may require us to make changes to certain of our open source and other third- party dependencies, which may result in additional costs and may adversely impact customer use and adoption of our solutions . If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of our products that contained the open source software and required to comply with onerous conditions or restrictions on these products, which could disrupt the distribution and sale of these products. In addition, there have been claims challenging the ownership rights in open source software against companies that incorporate open source software into their products, and the licensors of such open source software provide no warranties or indemnities with respect to such claims. In any of these events, we and our customers could be required to seek licenses from third parties in order to continue offering our products, and to re- engineer our products or discontinue the sale of our products in the event re- engineering cannot be accomplished on a timely basis. We and our customers may also be subject to suits by parties claiming infringement, misappropriation or violation due to the reliance by our solutions on certain open source software, and such litigation could be costly for us to defend or subject us to an injunction. Some open source projects have known vulnerabilities and architectural instabilities and are provided on an “ as- is ” basis which, if not properly addressed, could negatively affect the performance of our product. Any of the foregoing could require us to devote additional research and development resources to re- engineer our solutions, could result in customer dissatisfaction, and may adversely affect our business, results of operations and financial condition. We may not be able to realize the benefits of our marketing strategies to offer some of our product features for free and to provide free trials of some of our paid features. We are dependent upon lead generation strategies, including offering 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 successfully 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 **Risks** . As of April 30, 2023, we had customers located in over 125 countries, and our strategy is to continue to expand internationally. In addition, as a result of our strategy of leveraging a distributed workforce, as of April 30, 2023, 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 **Related to Taxation** international disputes, such as Russia’ of operations in a material way. Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could expose us to greater than anticipated tax liabilities. Our income tax obligations are based in part on our corporate structure and intercompany arrangements, including the manner in which we develop, value, and use our intellectual property and the valuations of our intercompany transactions. The tax laws applicable to our business, including the laws of the Netherlands, the United States and other jurisdictions, are subject to change and interpretation. Any new legislation or interpretations of existing legislation could impact our tax obligations in countries where we do business or cause us to change the way we operate our business and result in increased taxation of our international earnings. For example, the Organisation for Economic Co- operation and Development (“ OECD ”) / G20 Inclusive Framework has been working on addressing the tax challenges arising from the digitalization of the economy, including by releasing the OECD’ s Pillar One and Pillar Two blueprints on October 12, 2020. Pillar One refers to the re- allocation of taxing rights to jurisdictions where sustained and significant business is conducted, regardless of a physical presence, while Pillar Two establishes a minimum tax to be paid by multinational enterprises. On December 15, 2022, the Council of the EU formally adopted Directive (EU) 2022 / 2523 (the “ Pillar Two Directive ”) to achieve a coordinated implementation of Pillar Two in EU Member States consistent with EU law. **In** On May 31, 2023, the **Netherlands, this directive has been implemented in** Dutch State Secretary of Finance submitted a proposal of law for the Minimum Tax Rate Act 2024 (Wet minimumbelasting 2024) to Dutch parliament, which would effectively implement the Pillar Two initiative in Dutch law, with an effective date of December 31, 2023. This measure will ensure that multinational enterprises that are within the scope of the Pillar Two rules will always be subject to a **corporation corporate** tax rate of at least 15 % .The proposal of law is subject to amendment during the course of the legislative process and needs to be approved by both chambers of the Dutch parliament before it can enter into force. We do not currently believe that , if enacted, the Minimum Tax Rate Act 2024 will have a material adverse effect on our financial results. In 2022, the United States enacted legislation implementing several changes to U. S. tax laws, including a 15 % corporate alternative minimum tax on applicable corporations with an average adjusted financial statement income (AFSI) in excess of \$ 1 billion for any three consecutive years preceding the tax year at issue. In addition, on January 1, 2022, a provision of the Tax Cuts and Jobs Act of 2017 went into effect that eliminates the option to deduct domestic research and development costs in the year incurred and instead requires taxpayers to amortize such costs over five years. **Once we have taxable profits in the United States, these** **These** provisions are do not expected to materially affect our cash flows or deferred tax assets. The **United States has enacted legislation imposing a new minimum tax called the Base Erosion and Anti- Abuse Tax (the “ BEAT ”) on certain U. S.**

corporations. The BEAT is imposed on certain deductible amounts paid by a U. S. corporation that (i) has aggregate gross receipts of at least \$ 1. 5 billion over its three prior taxable years and (ii) is at least 25 %- owned by a non- U. S. person (or otherwise related to a non- U. S. person in specified circumstances). The BEAT taxes “ modified taxable income ” of a U. S. corporation described above at a rate which increased to 10 % in 2019 and will increase further to 12. 5 % in 2026. 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 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). The applicability of sales, use and other indirect tax laws or regulations on our business is uncertain. Adverse tax laws or regulations could be enacted or existing laws could be applied to us or our customers, which could subject us to additional tax liability and related interest and penalties, increase the costs of our services and adversely impact our business. The application of U. S. federal, state, local, and non- U. S. tax laws to services provided electronically is evolving. New sales, use, value- added, goods and services, consumption or other direct or indirect tax laws could be enacted at any time (possibly with retroactive effect), and could be applied solely or disproportionately to services provided over the Internet, directly or through partners, or could otherwise materially affect our financial position and operating results. As we expand the scale of our international business activities, any changes in the U. S. or non- U. S. taxation of such activities may increase our worldwide effective tax rate and harm our business, operating results, and financial condition. In addition, tax jurisdictions have differing rules and regulations governing sales, use, value- added, goods and services, consumption and other taxes, and these rules and regulations can be complex and are subject to varying interpretations that may change over time. Existing tax laws could be interpreted, changed, modified, or applied adversely to us (possibly with retroactive effect), which could require us or our customers to pay additional tax amounts on prior sales and going forward, 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 going forward could also adversely affect our sales activity and have an adverse impact on our operating results and cash flows. Our corporate structure and intercompany arrangements are subject to the tax laws of various jurisdictions under which we could be obligated to pay additional taxes. Based on our current corporate structure, we may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents. The taxing authorities of the some of such jurisdictions in which we operate may challenge our methodologies for valuing developed technology or intercompany arrangements, which could increase our worldwide effective tax rate and harm our financial position and results of operations. Tax authorities examine and may audit our income tax returns and other non- income tax returns, such as payroll, sales, value- added, net worth or franchise, property, goods and services, and excise taxes, in both the United States and foreign jurisdictions. It is possible that tax authorities may disagree with certain positions we have taken, and any adverse outcome of such a review or audit could have a negative effect on our financial position and results of operations. Further, the determination of our worldwide provision for, or benefit from, income taxes and other tax liabilities requires significant judgment by management, and there are transactions where the ultimate tax determination is uncertain. Although we believe that our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our consolidated financial statements and may materially affect our financial results in the period or periods for which such determination is made. Our corporate structure and intercompany arrangements are subject to the tax laws of various jurisdictions under which we could be obligated to pay additional taxes, which would harm our results of operations. Based on our current corporate structure, we may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents. In addition, the authorities in the jurisdictions in which we operate could review our tax returns or require us to file tax returns in jurisdictions in which we do not otherwise file such returns, and could impose additional tax, interest and penalties. These authorities could also claim that various withholding requirements apply to us or our subsidiaries, assert that benefits of tax treaties are not available to us or our subsidiaries, or challenge our methodologies for valuing developed technology or intercompany arrangements, including our transfer pricing. The relevant taxing authorities may determine that the manner in which we operate our business does not achieve the intended tax consequences. If such a disagreement were to occur, and our position were not sustained, we could be required to pay additional taxes, and interest and penalties. Additionally, the distributed nature of our workforce on employee locations may increase the probability of payroll tax audits. Any increase in the amount of taxes we pay or that are imposed on us could increase our worldwide effective tax rate and harm our business and results of operations. Our ability to use our net operating loss carryforwards to offset future taxable income may be subject to certain limitations. As of April 30, 2023-2024, we had net operating loss carryforwards (“ NOL ”) for Netherlands, United States (federal and state, respectively) and United Kingdom income tax purposes of \$ 1. 0-237 billion, \$ 973-806 . 49 million, \$ 665-641 . 0-7 million and \$ 74-78 . 5-2 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. Furthermore, we may not be able to generate sufficient taxable income to utilize our affected NOLs before they expire. If any of these events occur, we may not derive some or all of the expected benefits from our NOLs. Seasonality may cause fluctuations in our..... or such members, officers or experts. 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 value of our assets may fluctuate, we cannot assure you that we will not be or become a PFIC in the current taxable year or any future taxable year. If we are a PFIC for any taxable year during which a U. S. person (as defined in Section 7701 (a) (30) of the Internal Revenue Code of 1986, as amended) holds our ordinary shares, such U. S. person may be subject to adverse tax consequences. Each U. S. person who holds our ordinary shares is strongly urged to consult his, her or its tax advisor regarding the application of these rules and the availability of any potential elections. If a U. S. person is treated as owning at least 10 % of our ordinary shares, such U. S. person may be subject to adverse U. S. federal income tax consequences. If a U. S. person is treated as owning (directly, indirectly, or constructively) at least 10 % of the total combined voting power of our shares, or of the total value of our shares, such shareholder may be treated as a " United States shareholder " with respect to each " controlled foreign corporation " in our group (if any). Because our group includes one or more U. S. subsidiaries, certain of our non- U. S. subsidiaries could be treated as controlled foreign corporations (regardless of whether we are treated as a controlled foreign corporation). A United States shareholder of a controlled foreign corporation may be required to report annually and include in its U. S. taxable income its pro rata share of " Subpart F income, " " global intangible low- taxed income, " and investments in U. S. property by controlled foreign corporations, regardless of whether we make any distributions. An individual that is a United States shareholder with respect to a controlled foreign corporation generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U. S. corporation. We cannot provide any assurances that we will assist investors in determining whether we or any of our non- U. S. subsidiaries is treated as a controlled foreign corporation or whether any investor is treated as a United States shareholder with respect to any such controlled foreign corporation or furnish to any investor who may be a United States shareholder information that may be necessary to comply with the aforementioned reporting and tax paying obligations referred to above. Failure to comply with these reporting obligations may subject a shareholder who is a United States shareholder to significant monetary penalties and may prevent from starting the statute of limitations with respect to such shareholder' s U. S. federal income tax return for the year for which reporting was due. A U. S. person should consult its advisors regarding the potential application of these rules to an investment in our ordinary shares. We may not be able to make distributions or repurchase shares without subjecting our shareholders to Dutch withholding tax , and dividends distributed on our ordinary shares to certain related parties in low- tax jurisdictions might in the future become subject to an additional Dutch withholding tax. We have not paid a dividend on our ordinary shares in the past and we do not intend to pay any dividends to holders of our ordinary shares in the foreseeable future. See " Risks Related to Ownership of our Ordinary Shares- We do not intend to pay dividends in the foreseeable future, so your ability to achieve a return on your investment will depend on appreciation in the price of our ordinary shares. " However, if we ever do pay dividends or repurchase shares, then under current Dutch tax law, the dividend paid or repurchase price paid may be subject to Dutch dividend withholding tax at a rate of 15 % under the Dutch Dividend Withholding Tax Act (Wet op de dividendbelasting 1965, " Regular Dividend Withholding Tax "), unless a domestic or treaty exemption applies. In addition, dividends paid The Dutch parliament has adopted a proposal of law pursuant to which related entities in designated low- tax jurisdictions may be subject to an alternative withholding tax (" Alternative Withholding Tax ") at the highest Dutch corporate income will be imposed on dividends paid to related entities in designated low- tax jurisdictions, rate in effect --- effect January 1, 2024 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 collaborating group (samenwerkende groep) that enables such entity or such collaborating group to exercise a definite influence over another entity' s decisions, 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 imposed at the highest Dutch corporate income tax rate in effect at the time of the distribution (currently 25. 8 %). 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 Parliament, the Emergency act conditional exit dividend withholding tax (Spoedwet conditionele eindafrekening dividendbelasting, " DWT Exit Tax "), we will be deemed to have distributed an amount equal to our entire market capitalization less recognized paid- up capital immediately before the occurrence of certain events, including if we cease

to be a Dutch tax resident for purposes of a tax treaty concluded by the Netherlands with another jurisdiction and become, for purposes of such tax treaty, exclusively a tax resident of that other jurisdiction which is a qualifying jurisdiction. A qualifying jurisdiction is a jurisdiction other than a member state of the EU / EEA which does not impose a withholding tax on distributions, or that does impose such tax but that grants a step-up for earnings attributable to the period before we become exclusively a resident in such jurisdiction. This deemed distribution will be subject to a 15 % tax insofar as it exceeds a franchise of EUR 50 million. The tax ~~is will be~~ payable by us as a withholding agent. A full exemption applies to entities and individuals that are resident in an EU / EEA member state or a state that has concluded a tax treaty with the Netherlands that contains a dividend article, provided we submit a declaration confirming the satisfaction of applicable conditions by qualifying shareholders within one month following the taxable event. We will be deemed to have withheld the tax on the deemed distribution and have a statutory right to recover this from our shareholders. Dutch resident shareholders qualifying for the exemption are entitled to a credit or refund, and non-Dutch resident shareholders qualifying for the exemption are entitled to a refund, subject to applicable statutory limitations, provided the tax has been actually recovered from them. The DWT Exit Tax **proposal** has been amended several times since the initial proposal ~~of law~~ and is under ongoing discussion. In addition, a critical reaction from authorities to the latest proposal of law have been published. It is therefore not certain whether the DWT Exit Tax will be enacted and if so, in what form. If enacted in its present form, the DWT Exit Tax will have retroactive effect as from December 8, 2021. Risks Related to **Regulatory Matters Any actual or Outstanding Senior Notes We have a substantial amount of indebtedness perceived failure by us to comply with government or other obligations related to privacy, which data protection and information security** could adversely affect our **business financial condition**. We are subject to compliance risks and uncertainties under a variety of federal, state, local and foreign laws and regulations governing privacy, data protection, information security, and the collection, storage, transfer, use, retention, sharing, disclosure, protection, and processing of personal data. Privacy, data protection, and information security laws may be interpreted and applied differently depending on the jurisdiction and continue to evolve, making it difficult to predict how they may develop and apply to us. The regulatory frameworks for these issues worldwide are rapidly evolving and are likely to remain uncertain for the foreseeable future. Federal, state, or non-U.S. government bodies or **agencies have in the past adopted, and may in the future adopt, new laws and regulations or may make amendments to existing laws and regulations affecting data protection, data privacy and / or information security and / 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 noncompliance with privacy or security obligations, may provide for penalties and other remedies, and may require us to incur substantial costs amount of indebtedness and expenses and liabilities in connection with our compliance. Other U. S. states and the U. S. federal government are considering or have enacted similar privacy legislation or regulations. Many obligations under these laws and legislative or regulatory proposals remain uncertain, and we cannot fully predict their impact on our business. Failure to comply with these varying laws and standards** may subject us to investigations, enforcement actions, civil litigation, fines and other penalties, all of which may generate negative publicity and have a negative impact on our business. Internationally, most jurisdictions in which we operate have established their own privacy, data protection and information security legal frameworks with which we or our customers must comply. Within the European Union, the General Data Protection Regulation (“GDPR”) applies to the processing of personal data. The GDPR imposes significant obligations upon our business, and compliance with these obligations can vary depending on how different regulators may interpret them. Failure to comply, or perceived failure to comply, can result in administrative fines of up to 20 million Euros or four percent of the group’s annual global turnover, whichever is higher. Similarly, the United Kingdom has implemented legislation that is substantially similar to the EU GDPR where 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, all of which may be subject to change with the introduction of the Data Protection and Digital Information (“DPDI”) Bill in 2022-2023. The potential impact to our business remains unclear. On ~~June 4-May 22, 2021-2023~~, the European ~~Ireland’s~~ Data Protection Commission issued new (“DPC”) **found that a company’s use of Standard standard Contractual contractual Clauses clauses (“SCC”) applicable in its data transfers failed to cross adequately protect the personal data of its European users, and fined that company approximately \$ 1.3 billion. While the full implications of this DPC decision for other companies such as us are not yet clear, those implications may, among other matters, affect our ability to continue using SCCs in our contracts or subject us to increased risk of regulatory fines related to our use of SCCs. Furthermore, in July 2023, the European Commission adopted its adequacy decision on data transfers under the EU - border-U.S. data Data Privacy Framework** transfers of personal data for people located in the EEA. On February 2, 2022, the United Kingdom’s Information Commissioner’s Office issued new standard contractual clauses to support personal data transfers out of the United Kingdom (“DPF UK SCC”). The adequacy decision provides a new lawful basis for trans- Atlantic data transfers from data exporters in the EU to U.S. data importers who certify compliance with the DPF principles. The DPF is currently being challenged, including by a member of the French Parliament which went into effect on March 21, 2022. In light of these and other ongoing developments relating to cross-border data transfer, we may experience additional **costs associated with increased compliance burdens** indebtedness in the future. As of April 30, ~~and this regulation may impact~~ 2023, we had \$ 575.0 million aggregate principal amount of Senior Notes outstanding. Our indebtedness could have important consequences, including: • limiting our ability to **transfer personal data**

across obtain additional financing to fund future working capital, capital expenditures, acquisitions or our organization, to customers, other general corporate requirements; • requiring a portion of our or cash flows to third parties 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 to government regulation, the indenture industry groups have established or may establish new and different self-regulatory standards that may legally governs the Senior Notes contains restrictive covenants that limit our or ability contractually apply to us engage in activities that may be in our or long our customers. One example of such a self-term best interest regulatory standard is the Payment Card Industry Data Security Standard, known as PCI DSS, which relates to the processing of payment card information. Our failure. Moreover, our customers increasingly expect us to comply with more stringent privacy, data protection, and information security requirements than those covenants imposed by laws, regulations, or self-regulatory requirements, and we may be obligated contractually to comply with additional or different standards relating to our handling or protection of data on or by our offerings. Any failure to meet our customers' requirements may adversely affect our revenues and prospects for growth. We also expect that there will continue to be changes in interpretations of existing or new laws and regulations, proposed laws, and other obligations, which could result impair our or our customers' ability to process personal data, decrease demand for our offerings, impact our marketing efforts, increase our costs, and impair our ability to maintain and grow our customer base and increase our revenue. It is possible that these laws and regulations or other actual or asserted obligations relating to privacy, data protection, or information security may be interpreted and applied in manners that are, or are alleged to be, inconsistent with our data management practices or the features of our products. In such an event of default which, we if not cured or waived, could result in face fines, lawsuits, regulatory investigations, and the other claims and penalties, and we could acceleration of substantially all of our indebtedness. We may not be able required to fundamentally change 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 our products to refinance our or 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 practices 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 of, and interest on our indebtedness, which could have an a material 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 impact 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 results- result in potential actions by regulatory bodies or government entities if they are found to be unfair or misrepresentative of operations our actual practices or inconsistent with legal requirements for such statements resulting in increased costs, changes in our business practices, or reputational harm. We are subject to governmental export and financial condition-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 Export Administration Regulations ("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 As such, 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, our or 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 on, among other factors similar laws, we the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates subject to both civil and criminal penalties, including substantial fines, possible incarceration for employees and managers for willful violations, and the possible loss of our export or import privileges. Obtaining the necessary export license for a particular sale or offering may not be possible and may be time-consuming and may result in the delay or loss of sales opportunities. Furthermore, export control laws and economic sanctions in may many require us cases prohibit the export of software and services to certain embargoed or sanctioned countries, governments and persons, as well as for prohibited end-uses. Monitoring and ensuring compliance with these complex U. S. export control laws involves uncertainties because our offerings are widely distributed throughout the world, and information available on the users of these offerings is, in some cases, limited. Even though we take precautions in an effort to ensure that we and our partners comply with all relevant export control laws more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and regulations the indenture that governs the Senior Notes may restrict us from adopting some of these alternatives. In addition, any failure by us to make payments of interest and principal on our or outstanding indebtedness on a timely basis would likely result in a reduction of our partners credit rating, which could harm our ability to comply with incur additional indebtedness. In the absence of such laws cash flows and regulations 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 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 the export or import of our products and services to certain countries, governments or persons altogether. Reduced use of our products and services by, or decreased ability by us to export or sell our products to, existing or potential end customers with international operations could result from changes in export or import laws or regulations, economic sanctions or related legislation; shifts in the enforcement or scope of existing export, import or sanctions laws or regulations; or changes in the countries, governments, persons, or technologies targeted by such export, import or sanctions laws or regulations. Failure to comply with anti-bribery, anti-corruption, and anti-money laundering laws could subject us to penalties and other adverse consequences. We are required to comply with the FCPA, the U.K. Bribery Act and other anti-bribery, anti-corruption, and anti-money laundering laws in various U.S. and non-U.S. jurisdictions. We are subject to compliance risks as a result of our use of channel partners to sell our offerings abroad and our use of other third parties, including recruiting firms, professional employer organizations, legal, accounting and other professional advisors, and local vendors to meet our needs in international markets. We and these third parties may have direct or indirect interactions with officials and employees of government agencies, or state-owned or affiliated entities, and we may be held liable for the corrupt or other illegal activities of our channel partners and third-party representatives, as well as our employees, representatives, contractors, partners, and agents, even if we do not authorize such activities. While we have policies and procedures to address compliance with such laws, our channel partners, third-party representatives, employees, contractors or agents may take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. Any violation of the FCPA, U.K. Bribery Act or other applicable anti-bribery, anti-corruption laws, and anti-money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions, or suspension or debarment from U.S. government contracts, all of which may have an adverse effect on our reputation, business, operating results and prospects. The market price for our ordinary shares has been and is likely to continue to be volatile or may decline regardless of our operations, operating performance and financial condition. Further, the stock markets, any future credit facility or other debt instrument may contain provisions and securities of technology companies in particular, have experienced extreme price and volume fluctuations that have affected will restrict our ability to dispose of assets and use continue to affect the proceeds from market prices of equity securities of any many such disposition technology companies. We Stock prices of may many not be able technology companies have fluctuated in a manner unrelated or disproportionate to consummate the operating performance of those companies 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. In 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 -- particular, stock prices our ability to respond to changes or to take certain actions. The indenture that governs the Senior Notes contains a number of companies with restrictive covenants that impose significant operating losses have recently declined significantly, and in financial restrictions on us and may many instances more significantly limit our ability to engage in acts that than may be stock prices of companies with operating profits. The economic impact and uncertainty of changes in the inflation, our long-term best interest, including, among other things, time to time could result in an and macroeconomic environments 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 geopolitical conflicts exacerbated this volatility 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 both the indenture governing the Senior Notes)..... the maturity of, our other then - the overall stock markets - existing indebtedness. Our failure to..... to claims or liabilities assumed from an and acquired company, product, or technology..... could adversely affect our financial condition or the market price of our ordinary shares. The sale of equity or issuance of..... terrorism, may disrupt our business. A significant decline in the price of natural disaster, such as an earthquake, fire, flood, or our shares significant power outage, could have an adverse impact on investor confidence and employee retention. In the past, shareholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, our involvement could subject us to substantial costs, divert resources and the attention of management from our operations and adversely affect our business. 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. We may fail to meet our publicly announced guidance or other expectations about our business and future operating results of operations, which would cause our stock price to decline. We have provided and may continue to provide guidance and other expectations regarding our future performance in our quarterly and annual earnings conference calls, quarterly and annual earnings releases, or other public disclosures. Guidance, as well as other expectations, are forward-looking and represent our management's estimates as of the date of release and are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies on our business, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which

will change. Furthermore, analysts and investors may develop and publish their own forecasts concerning our financial results, which may form a consensus about our future performance. Our actual business results may vary significantly from such guidance or other expectations or that consensus due to a number of factors, many of which are outside of our control, including due to the global economic uncertainty and financial market condition-conditions conditions caused by the current macroeconomic environment, and which could adversely affect our business and future operating results. Furthermore, if we make downward revisions of our previously announced guidance or other expectations, if we withdraw our previously announced guidance or other expectations, or if our publicly announced guidance or other expectations of future operating results fail to meet expectations of securities analysts, investors or other interested parties, the price of our ordinary shares could decline. In light of the foregoing, investors should not unduly rely upon our guidance or other expectations in making an investment decision regarding our ordinary shares. The impact-concentration of climate change may increase 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 risks due to changes in weather-shareholders, acting together, will have significant influence over patterns-- 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 in storm intensity-, sea result, these shareholders, acting together, will have significant influence over matters that require approval by our shareholders, including matters such as adoption of the financial statements, declarations of dividends, the appointment and dismissal of directors, capital increases, amendment to our articles of association and approval of significant corporate transactions. Corporate action might be taken even if other shareholders oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of us that other shareholders may view as beneficial. The issuance of additional ordinary shares in connection with financings, acquisitions, investments, our equity incentive plans or otherwise will dilute all other shareholders. Our articles of association authorize us to issue up to 165 million ordinary shares and up to 165 million preference shares with such rights and preferences as are included in our articles of association. On September 28-October 5, 2018-2023, our extraordinary-general meeting of shareholders (the "2018 Extraordinary-2023 General Meeting") empowered our board of directors to issue ordinary shares and preference shares up to 20 % of our authorized-issued share capital as of August 21, 2023, for a period of five years 18 months from October 10-5, 2018-2023 (the "2023 share issuance authorization"). In line with market practice for Dutch publicly traded companies, we expect to renew this authorization annually at our general meeting of shareholders. 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- level rise-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 of permanent shareholders ("general meeting"), or if authorized by the annual general meeting or an- an extraordinary general meeting, by a resolution of our board of directors. Our 2023 general meeting has empowered our board of directors to limit or exclude pre-emptive rights on ordinary shares issued pursuant to the 2023 share issuance authorization, up to 10 % of our issued share capital as of August 21, 2023 for a period of 18 months from October 5, 2023, which could cause existing shareholders to experience substantial dilution of their interest in areas 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, 2024, there where- were we 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 of shareholders at the proposal of the board of directors. Pre-emptive rights do not exist with respect to the issue of preference shares and holders of preference shares, if any, have no pre-emptive right to acquire newly issued ordinary shares. Also, pre-emptive rights do not exist with respect to the issue of shares or grant of rights to subscribe or for shares to our employees or contributions in kind. Sales of substantial amounts of our ordinary shares in the public markets, or the perception that they might occur, could reduce the price that our ordinary shares might otherwise attain. Sales of a substantial number of shares of our ordinary shares in the public market, particularly sales by our directors, executive officers and significant shareholders, or the perception that these sales could occur, could adversely affect the market price of our ordinary shares and may make it more difficult for you to sell our-your suppliers ordinary shares at a time and customers conduct business price that you deem appropriate. We have also filed a number of our employees and executive officers located in the San Francisco Bay Area, a region that has recently been affected by wildfires and will file in other-- the future extreme weather events. If our or our partners' abilities are hindered by any of the foregoing events-, registration statements we could experience sales delays, supply chain disruptions, and other negative impacts on Form S our business. In addition, acts of terrorism, acts of war, including Russia's invasion of Ukraine, other geo- 8 under political unrest or health issues, such as an outbreak of pandemic or epidemic diseases, such as the COVID-19 pandemic, 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. All of the aforementioned risks may be further increased if our disaster recovery plans prove to be inadequate. If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below expectations of securities

Securities Act registering all analysts and investors, resulting in a decline in the trading price of our ordinary shares. The preparation of financial statements that we may issue under our equity compensation plans, which may in conformity with U.S. GAAP require management to turn be sold in the public market and may adversely affect the market price for our ordinary shares. S-GAAP requires management to make estimates and assumptions 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 affect the amounts reported in the consolidated financial statements and accompanying notes. We base our or prevent a change estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in control Management's Discussion and Analysis of our company. These provisions could also make it difficult Financial Condition and Results of Operations included in Part II, Item 7 of this Annual Report on Form 10-K, the results of which form the basis for shareholders to appoint directors making judgments about the carrying values of assets, liabilities, equity, revenue, and expenses that are not readily apparent from nominated by the current members of our board of directors or take other sources corporate actions, including effecting changes in our management. Our These provisions include: • the staggered three- year terms of the members of our board of directors, as a results- result of operations which only approximately one- third of the members of our board of directors may be adversely affected subject to election in any one year; • a provision that the members of our board of directors may only be removed by a general meeting by a two- thirds majority of votes cast representing at least 50 % of our issued share capital if our assumptions change such removal is not proposed by or our if actual circumstances differ from board of directors; • a provision preference shares in our authorized share capital that the members of may be issued by our board of directors may only be appointed upon binding nomination of the board of directors, in such which can only be overruled with a manner as to two dilute the interest- thirds majority of shareholders, including any potential acquirer votes cast representing at least 50 % of or our issued share capital activist shareholder, in order to delay or discourage any potential unsolicited offer or shareholder activism; • requirements that certain matters, including an amendment of our articles of association, may only be brought to our shareholders for a vote upon a proposal by our board of directors; and • minimum shareholding thresholds, based on nominal value, for shareholders to call General general Meetings meetings of our shareholders or to add items to the agenda for those those in our assumptions meetings. We are subject to the Dutch Corporate Governance Code but do not comply with all the suggested governance provisions of the Dutch Corporate Governance Code, which could cause may affect our your results of operations rights as a shareholder. As a Dutch company, we are subject to fall below the Dutch Corporate Governance Code (" DCGC "). The DCGC contains both principles and suggested governance provisions for management boards, supervisory boards, shareholders and general meetings, financial reporting, auditors, disclosure, compliance and enforcement standards. The DCGC is based on a " comply our- or explain " principle. Accordingly, publicly-- public announced guidance or companies are required to disclose in their annual reports, filed in the Netherlands, whether the they expectations comply with the suggested governance provisions of the DCGC. If securities analysts and investors, resulting in a decline in the they do not comply with those provisions, such as 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 New York Stock Exchange (" NYSE "). The principles and suggested governance provisions apply to our board of directors (in relation to role and composition, conflicts of interest and independency independence requirements, board committees and remuneration), shareholders and the General general Meeting meeting (for example, regarding anti- takeover protection and our obligations to provide information to our shareholders) and financial reporting (such as external auditor and internal audit requirements). We aim to comply with all applicable provisions of the DCGC except where such provisions conflict with U.S. exchange listing requirements or with market- market price practices in the United States or the Netherlands. 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 have never declared or paid any cash dividends on our shares. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any cash dividends on our ordinary shares. Significant assumptions and estimates used in preparing 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 our- or consolidated financial statements include by our articles of association. Accordingly, investors must rely on sales of their ordinary shares after price appreciation, which may never occur, as those-- the related 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, to two revenue members of our board of directors filings with the SEC 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 recognition and accounting enforcement of intangible assets 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) **that the** judgment resulted from legal proceedings compatible with Dutch notions of due process, (iii) **that the** judgment does not contravene public policy of the Netherlands and (iv) **that the** judgment is not incompatible with (x) an earlier judgment of a Dutch court between the same parties, or (y) 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 U.S. investors will be able to enforce against us or members of our board of directors, officers or certain experts named in our filings with the SEC, who are residents of the Netherlands or countries other than the United States, any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the U.S. federal securities laws. In addition, there can be no assurance that a Dutch court would impose civil liability on us, the members of our board of directors, our officers or certain experts named in our filings with the SEC in an original action predicated solely upon the U.S. federal securities laws brought in a court of competent jurisdiction in the Netherlands against us or such members, officers **or experts**. If industry or financial analysts do not publish research or reports about our business, or if they issue inaccurate or unfavorable research regarding our ordinary shares, our share price and trading volume could decline, which could adversely affect our business. The trading market for our ordinary shares is influenced by the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts, or the content and opinions included in their reports. If any of the analysts who cover us issues an inaccurate or unfavorable opinion regarding our company, our stock price would likely decline. **Further** **Furthermore**, investors and analysts may not understand how our consumption-based arrangements differ from a typical subscription-based pricing model. In addition, the stock prices of many companies in the technology industry have declined significantly after those companies have failed to meet, or significantly exceed, the financial guidance publicly announced by the companies or the expectations of analysts or public investors. If our financial results fail to meet, or significantly exceed, our announced guidance or the expectations of analysts or public investors, our stock price may decline. **Further**, analysts **Analysts also** could downgrade our ordinary shares or publish unfavorable research about us. If one or more of the analysts who cover our company ceases to cover us, or fails to publish reports on us regularly, our profile in the financial markets could decrease, which in turn could cause our stock price or trading volume to decline and could adversely affect our business. 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 acquire development stage companies that are not yet profitable, and that require continued investment, thereby reducing our cash available for other corporate purposes. The occurrence of any of these risks could harm our business, results of operations, and financial condition. Catastrophic events, or man-made events such as terrorism, may disrupt our business. 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 **environmental, social, and governance ("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 DEI matters. Expectations surrounding appropriate corporate behavior in these areas are continually evolving and often reflect a wide spectrum of viewpoints and interests**. 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 **ESG sustainability Report 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. ~~We could be criticized for the accuracy, adequacy, presentation, or completeness of our required and voluntary ESG disclosures, which could impact our brand and reputation.~~ 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 **sales, marketing and other** 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 risks we face, and the strategies we pursue to reduce and adapt to the impacts of climate change. We expect to incur substantial costs to prepare these disclosures. If we fail to compile, assess and report the required operating and accounting information in a timely manner and in accordance with mandatory reporting standards, we could be exposed to fines and other sanctions and sustain harm to our reputation**. If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, we may be unable to accurately report our financial results or prevent

fraud, and investor confidence and the market price of our ordinary shares may decline, which could adversely affect our business. As a public company in the United States, we are subject to the Sarbanes- Oxley Act, which requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended and anticipate that we will continue to expend significant resources, including accounting- related costs and significant management oversight. We have incurred and expect to continue to incur significant expenses and devote substantial management effort toward compliance with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act. To assist us in complying with these requirements, we may need to hire more employees in the future, or engage outside consultants, which will increase our operating expenses. Despite significant investment, our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to implement or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting could also adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that are required to be included in our periodic reports that we file with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, subject us to sanctions or investigations by the NYSE, the SEC, or other regulatory authorities, and would likely cause the trading price of our ordinary shares to decline, which could adversely affect our business. 48