



FY24 INVESTOR DAY 6-PAGERS

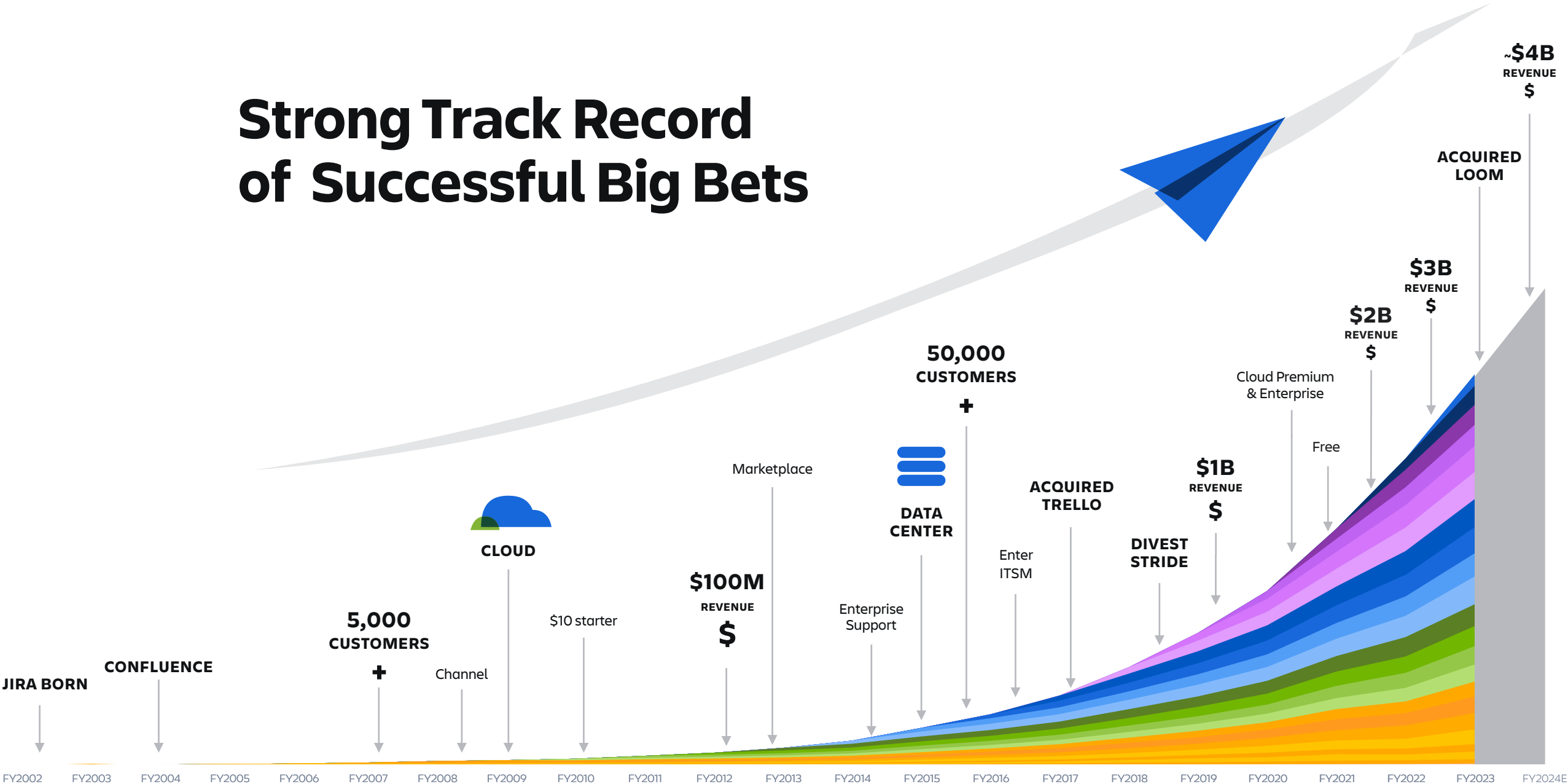
OUR PLATFORM-POWERED BIG BETS

We have a strong track record of successful, long-term strategic bets over the past two decades which has led to us scaling to over \$4 billion in revenue today.

At each step of our journey, we've been explicit about our big bets and then backed them up by executing against those initiatives. As an R&D-led company, these bets are longer-term in nature, so in this section, we'll cover our progress and the growing opportunity ahead of us, all powered by our world-class platform.

These include: doubling down on ITSM, accelerating cloud migrations, supporting enterprises, and now, AI.

Strong Track Record of Successful Big Bets



Building a world-class platform

We chose to do the hard thing and invest in building a best-in-class cloud platform from the ground up. Dividing up our R&D muscle between individual product capabilities and building a platform as the foundation of our entire cloud portfolio was a significant investment, but we knew it was the right decision for the long term.

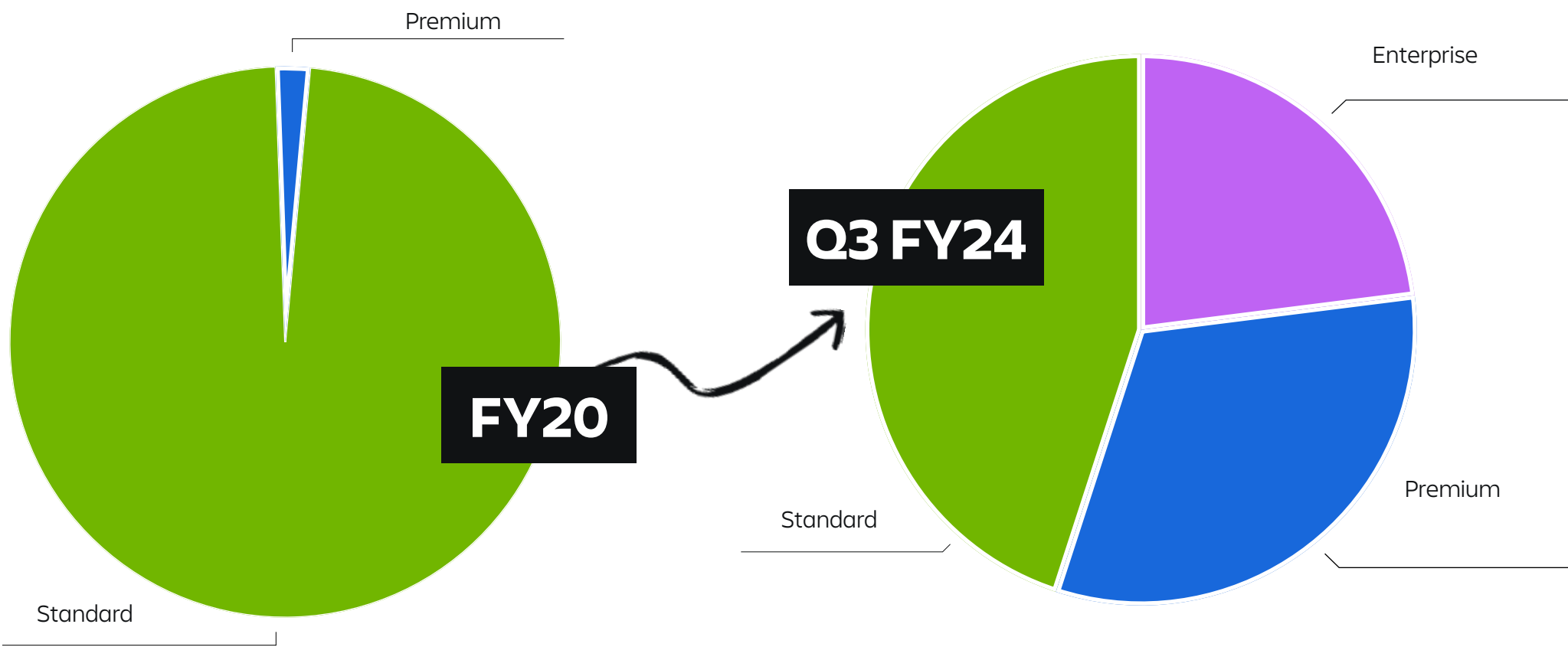
Today, we have a unified cloud platform that supports our portfolio of products. We're able to accelerate innovation by building capabilities at the platform level and surfacing them in multiple products. You've seen us flex this muscle. For example, we built core AI capabilities centrally and implemented those capabilities across our product portfolio. This mirrors our work with other key collaboration capabilities our customers are seeking like analytics and automation.

Our data and insights help drive cross-sell and up-sell when customers see what's possible to achieve across our entire platform. From a customer experience perspective, our platform creates a sleek, smooth experience with opportunities to tap into capabilities only a platform can provide. We've built out a ladder of editions of our Cloud products with Free, Standard, Premium, and Enterprise for our customers, allowing them to either take it step-by-step as their needs evolve or skip to more powerful versions straightaway.

The legal disclaimer and information about our non-GAAP financial measures including a reconciliation of GAAP to non-GAAP measures can be found at the end of this document.

We’re seeing customers respond incredibly well to the innovation we’re delivering in our higher-level editions:

Cloud Edition Paid Seat Mix



Data as of March 31, 2024.

Atlassian’s cloud platform also makes building new products easier. Out of our new product incubator program, Point A, we’ve launched Jira Work Management, Jira Product Discovery, Compass, and Atlas – all only available in the cloud. Jira Work Management’s ARR is growing 50% year-over-year, and we’ll carry this momentum forward with Jira. Jira Product Discovery and Compass are off to a flying start with less than a year in market. We have over 6,500 customers using Jira Product Discovery since GA last May, and Compass has seen monthly active instances grow 2.5x since GA in October.

We’ve built our platform to make it easier to integrate acquired products. Since acquiring Loom at the end of 2023, we’ve been quickly integrating its' capabilities across the Atlassian platform, to extend the value of async video to help our customers collaborate in richer, more human ways. Now, team members can provide more context by seamlessly embedding a Loom within Confluence when writing a strategy document or by creating an action item within Loom that exports to Jira in a single click.

While competitors are determined to position themselves as a one-stop shop for the software development lifecycle, we've never aspired to be the end-to-end toolchain for developers. Instead, we’ve leaned into being the central nervous system for software teams, integrating with the best 3rd-party tools, and bridging technical users with their business teammates via our powerful platform.

And integrate they will! With over 5,700 3rd party apps and integrations, we empower teams to use an open toolchain. In turn, this drives faster expansion and stickier customers, both big and small. Enterprise customers with 3rd party apps grow with us roughly 20% faster than those without an app. And for SMB customers, those with 3rd party apps have a 1/3 lower churn rate.

Our platform strategy accelerates innovation and serves as the springboard for our other big bets. Through the platform, we’re able to deliver a significantly better experience for customers in the cloud and open up additional expansion vectors. It is the base we use to build for enterprise customers, create exceptional service management experiences for teams of all types, and now, it’s what gives us the competitive edge in the AI space.

All roads lead to platform, as they say. 🗺️

Doubling down on Service Management

Jira Service Management (previously Jira Service Desk) emerged from Shipit, our quarterly 24-hour hackathon. It was built in response to customers who were adapting Jira to handle service requests.

Four years ago, as the lines continued to blur between software development and IT, we declared we would double down on the ITSM market. Atlassian is uniquely positioned to bring dev and IT together onto a single platform. And we’re able to unlock high-velocity service for customers at a price point that’s more accessible and quicker to deploy than the competition. To accelerate our strategic vision and ITSM capabilities, we’ve complemented our internal innovation with M&A, acquiring Statuspage, Opsgenie, Halp, Mindville, ThinkTilt, Percept.AI, and, more recently, Airtrack.

Underpinned by our platform, we’ve been able to create a holistic, service management solution that empowers development, IT, operations, and business teams to deliver exceptional service experiences. As of Q3’24, Jira Service Management is now an approximately \$600 million annual revenue business and is the fastest-growing of our at-scale products.

Today, over 50,000 customers rely on Jira Service Management to deliver legendary service. But we’re still in the early days. Large companies are recognizing Jira Service Management as an enterprise-grade service management offering. What’s more, Jira Service Management was recognized as a Leader in the Forrester Wave™: Enterprise Service Management, Q4 2023, achieving the highest possible score in the strategy category. We’re also seeing more and more use cases outside of IT, as customers bring Jira Service Management to service teams like HR, legal, facilities, and even customer support. In fact, over 60% of Jira Service Management customers are now using it outside of IT.

The power we harness with all the knowledge stored in Confluence, plus the potential for generative AI to unleash it, adds up to an enviable position. Atlassian is poised to do big things in the service management market across both IT and business teams.

Our multi-year cloud journey

To help our customers realize their full potential, we knew we needed to accelerate their journey to the cloud. Since announcing Server end of support (EOS) three-and-a-half years ago, we’ve been laser-focused on migrating Server customers to our Cloud and Data Center products, as well as driving Data Center-to-Cloud migrations.

For our customers, Cloud is the obvious final destination. Not only does it facilitate the best experience and all the latest innovations like automation, analytics, and now AI, but it also has a lower total cost of ownership and is exclusively home to new products like Loom, Jira Product Discovery, and Compass.

Cloud now represents 61% of total revenue, up from 43% when we announced Server EOS in October 2020.

Revenue by deployment

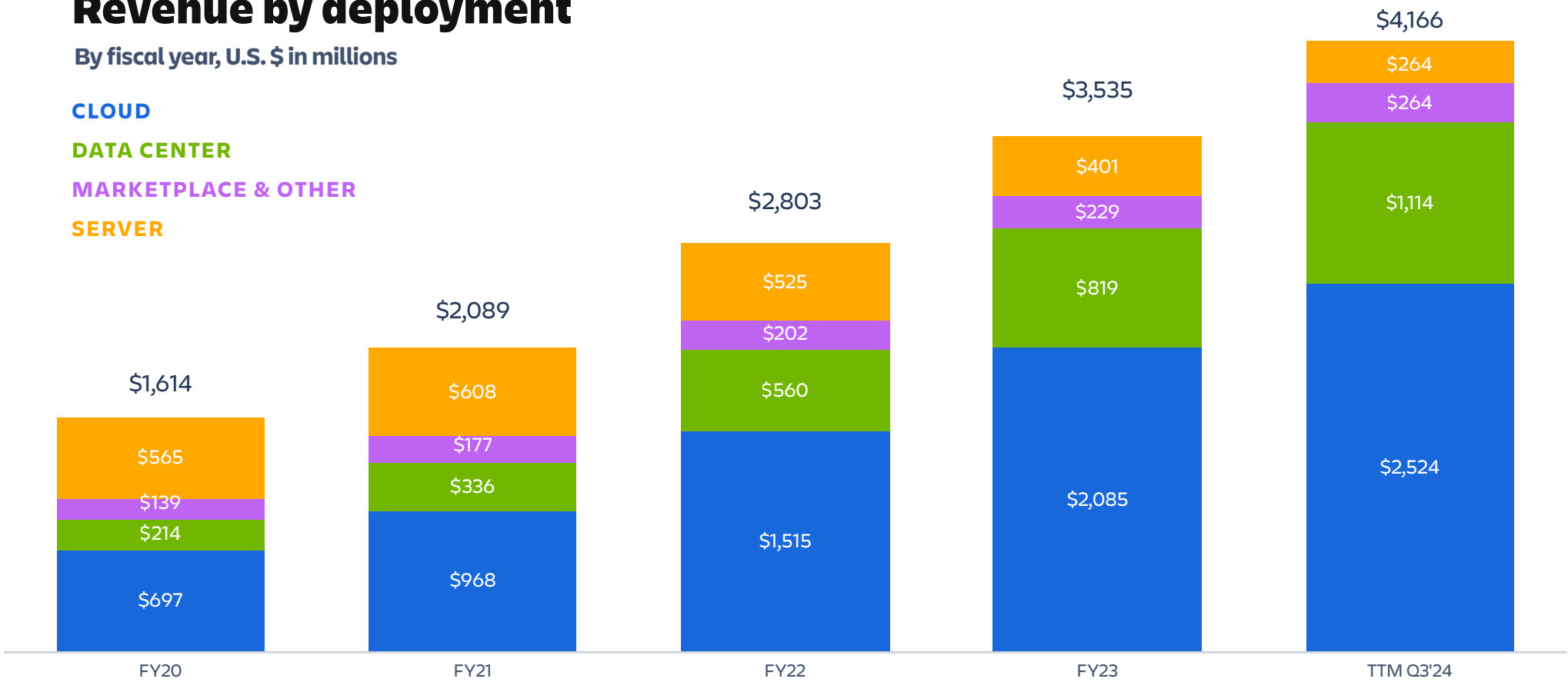
By fiscal year, U.S. \$ in millions

CLOUD

DATA CENTER

MARKETPLACE & OTHER

SERVER

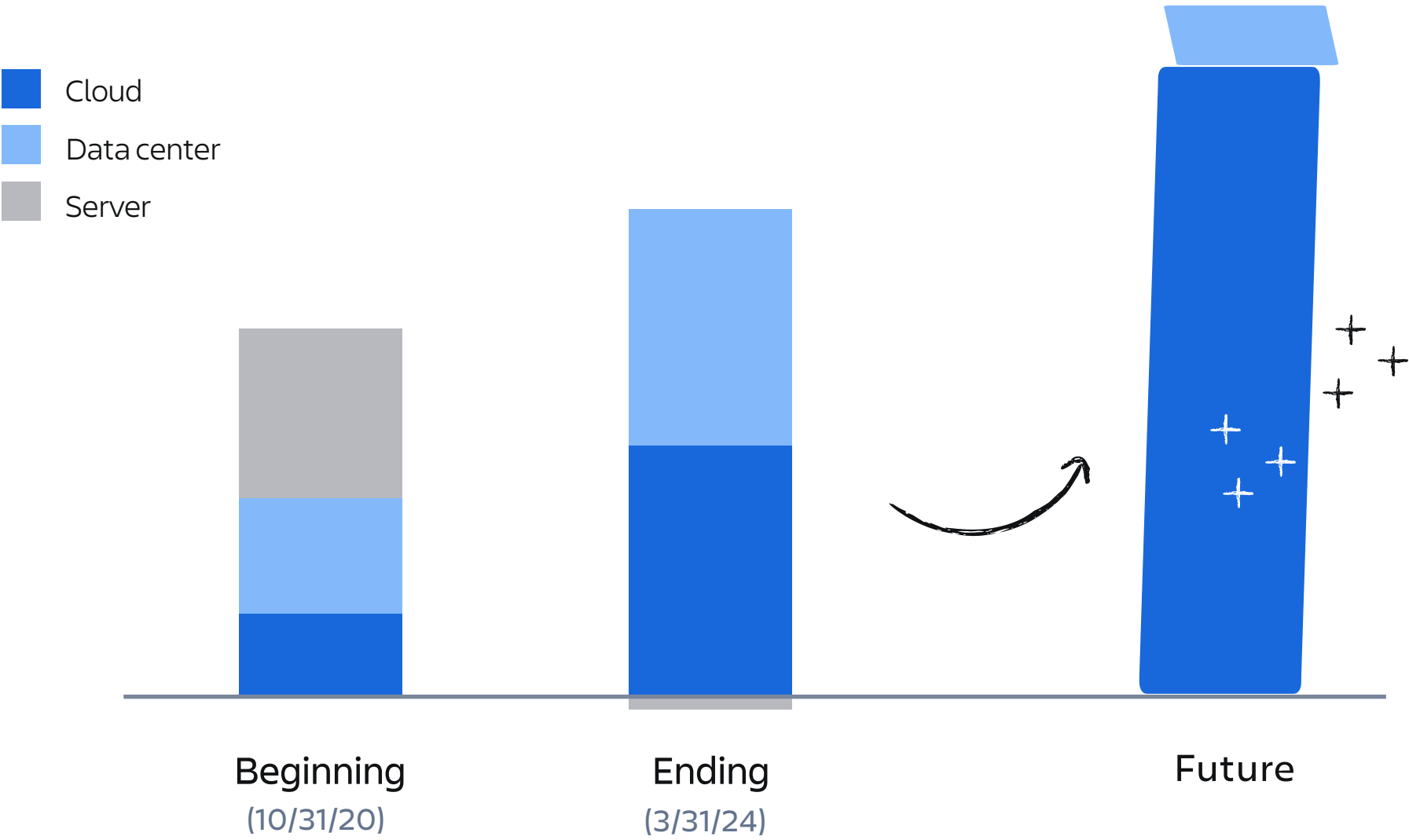


Note: revenue totals may not foot due to rounding

We’ve increased the number of paid seats in the Cloud by over 3x during that time – well exceeding our initial cloud migration projections, driven by strong Data Center-to-Cloud migrations. We also saw less churn than we initially expected.

We’ve consistently said that migrations would be a multi-year effort, and Server EOS was just one milestone on this journey. Today, we have more paid seats in the cloud than on-premises. Plus, the overall opportunity to migrate our massive Data Center installed base to Cloud in the coming years is bigger than we anticipated.

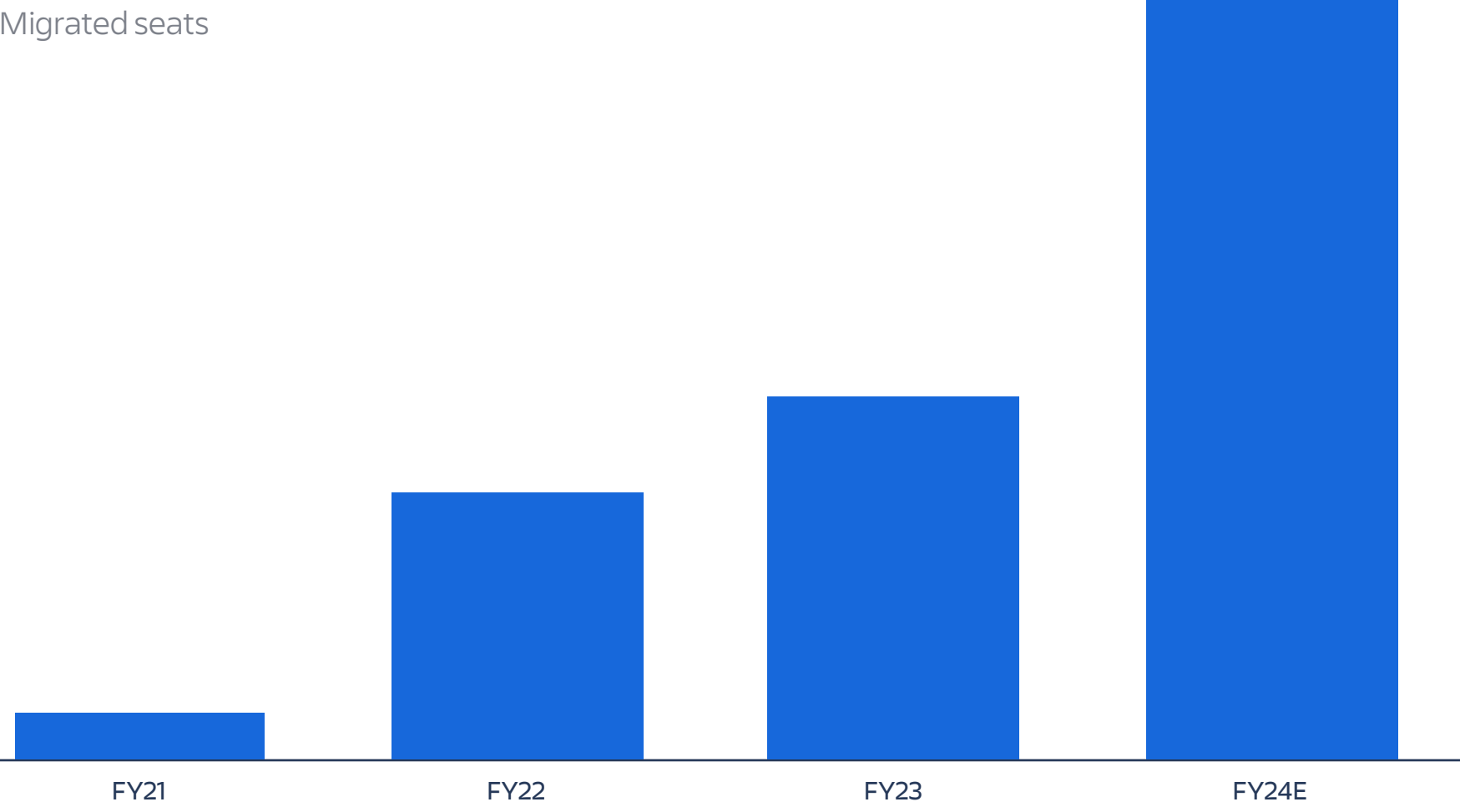
Paid Seats by Deployment



Notes:
Ending balance includes an estimate of active Server seats post-end of support date.
Future is illustrative of the paid seat composition at an unspecified future date.

Data Center is a stepping stone for our customers to ultimately get to Cloud. The vast majority of customers who have migrated from Data Center to Cloud began their Atlassian journey on Server. We’ve seen Data Center-to-Cloud migrations building each year, demonstrating customers' desire to move to the Cloud. All of this adds to our confidence in the migration journey as these customers ultimately shift to Cloud in future years.

Data Center to Cloud Migrations

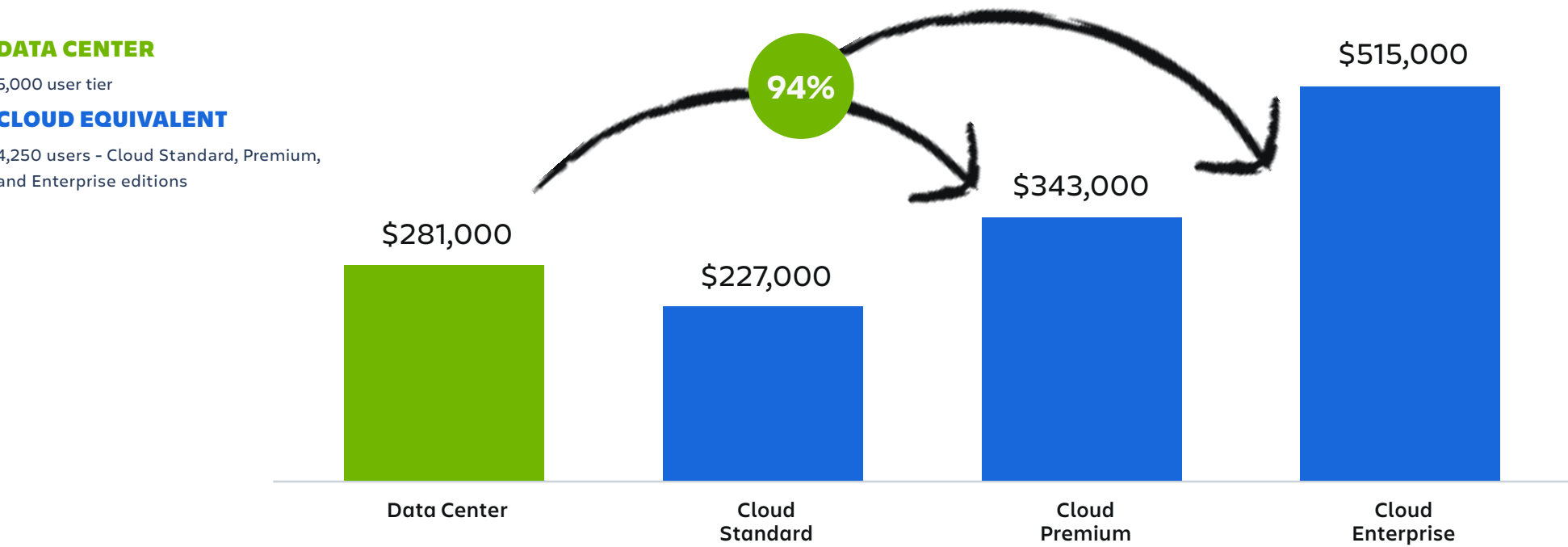


When we look at our remaining base of Data Center customers, they’re composed of larger, more complex enterprises, including many of our largest customers. 94% of Data Center migrators are choosing Premium or Enterprise editions in the Cloud, driven by the enterprise-grade capabilities we’ve built and the innovation we’re delivering in these higher-value editions, including analytics, automation, and now Atlassian Intelligence.

The strong uptake of Premium and Enterprise editions upon migration yields attractive economics:

ILLUSTRATIVE EXAMPLES OF CUSTOMER PRICING

DATA CENTER VS. CLOUD ANNUAL

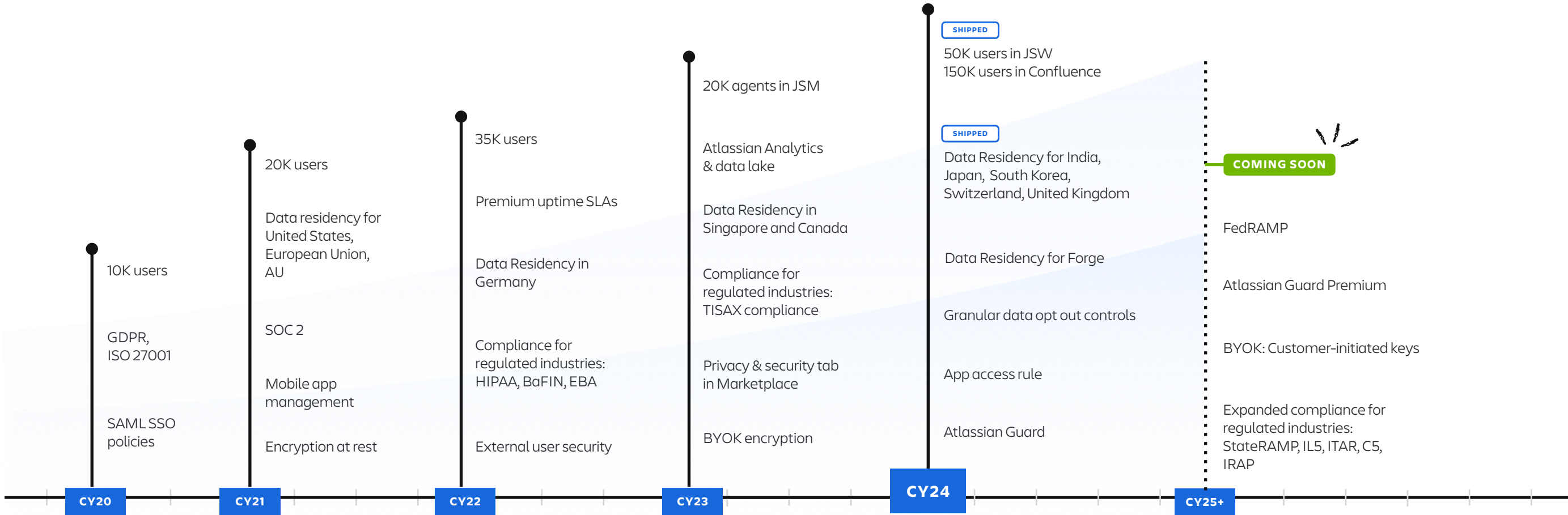


Note: this represents annual Data Center and Cloud list prices as of March 31, 2024.
94% of Data Center migrators are choosing Premium or Enterprise editions in the Cloud.

What’s more, when we look at the customers that have migrated to Cloud, we’ve seen great returns. The cohorts of customers that have migrated to the cloud expand their number of seats by over 25% on average, one year post-migration. Cross-sell also improves, for example, customers are twice as likely to own Jira Service Management after migrating to Cloud.

Our platform investments have equipped us with building blocks for the future, and we will leverage these to drive new product growth (both organic and inorganic). Because of our common data model and deep understanding of teamwork, we’ve built an in-product recommendation engine that helps customers adopt the next best product for them.

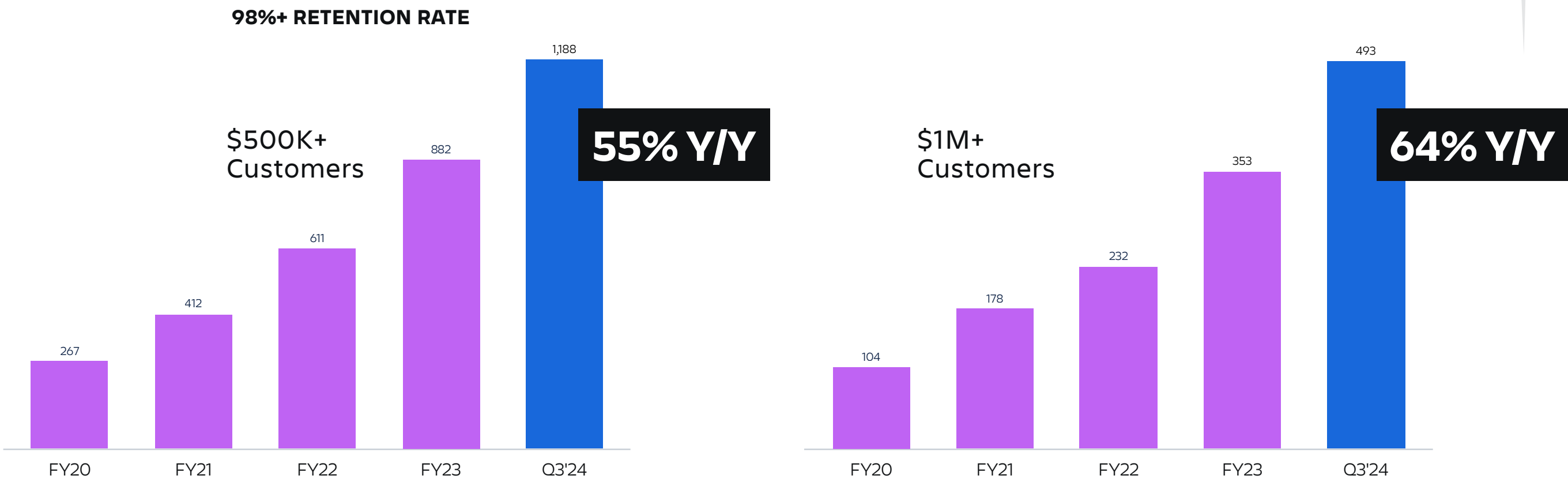
All this results in a win-win situation for our customers and Atlassian. Our customers get a significantly better experience in the cloud and solve more of their collaboration challenges. This drives greater customer lifetime value in Cloud. When we look at the cohorts of customers that had completed their migrations from Server or Data Center to Cloud, their total annual spend in the Cloud was, on average, more than 2x higher than their spend on-premises. You can understand why we’re excited about the larger-than-expected opportunity to migrate our Data Center customers to Cloud over the coming years.



Serving Enterprises

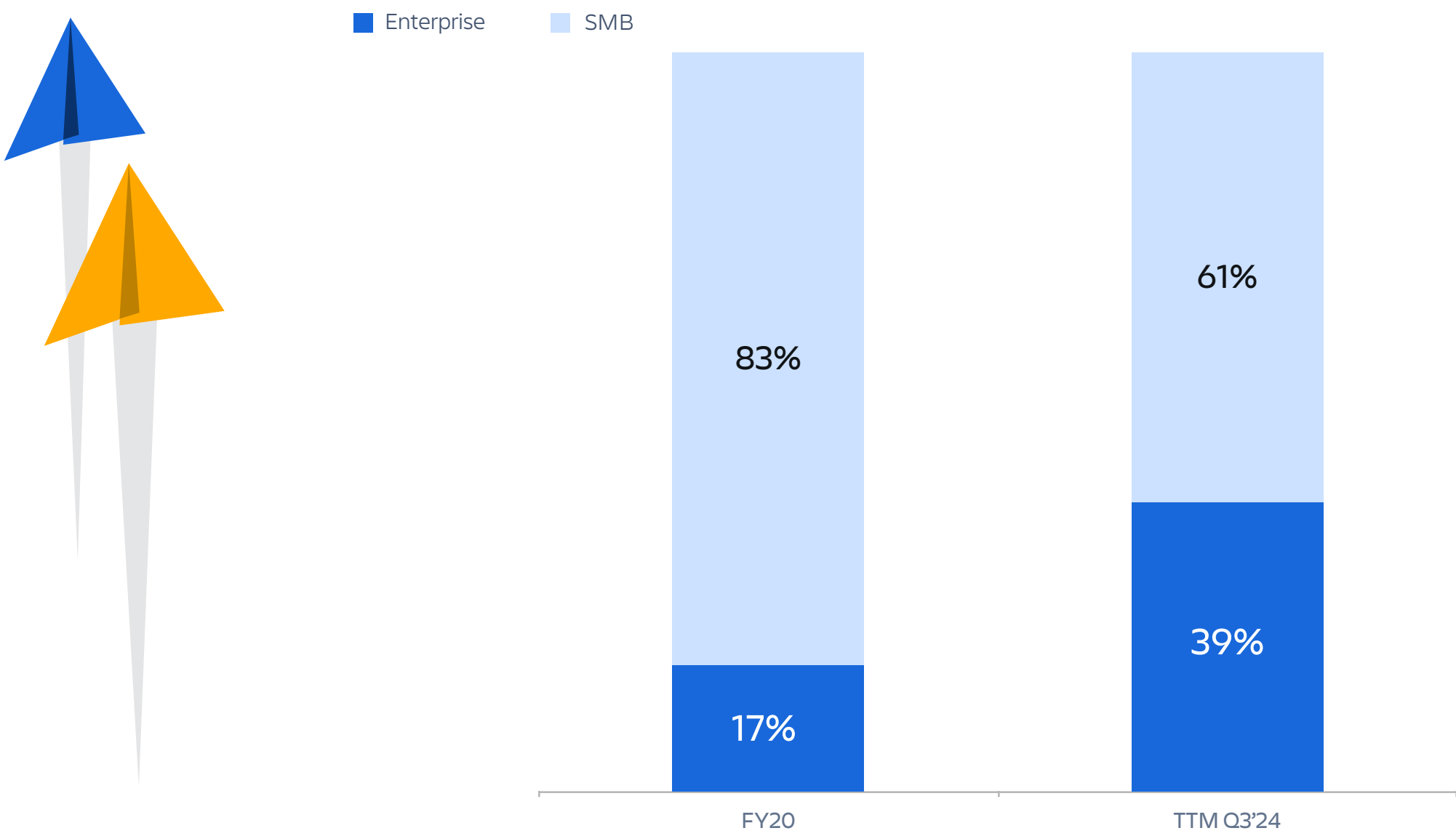
Over the past few years, we’ve increased our investment across product and go-to-market in order to better serve our enterprise customers. This strategy has meant strong growth in the segment and an even stickier customer base, as these larger customers have a logo retention rate of 98%+.

Large Customer Growth



We’re executing well against our strategy, with enterprise continuing to grow as a proportion of our overall business:

Total SMB/ENT Mix



Total Sales

Data as of March 31, 2024.

Cloud SMB/ENT Mix



Looking forward, we have a runway to reach more technical users, and a significant opportunity to address the collaboration needs of their business teammates. And we know the bigger the customer, the more products they purchase - with customers spending \$500k+ and \$1M+ annually, purchasing 7+ products on average.



Annual spend

Enterprise search:

Search across data, tools, and platforms (yes, even third-party and home-grown systems) to get contextual results within the Atlassian experience.

While central search is already part of the existing cloud experience, Rovo also takes third-party data into account, leveraging the teamwork graph to improve the results and rank content. Enterprise search not only works across third party tools, but customers can bring in data from home-grown systems by connecting them to Rovo.

Chat and learn:

Provide a comprehensive understanding of companies' data through AI-driven insights, knowledge cards, and AI chat for deeper data exploration.

Our always-available AI assistant leverages enterprise search and the teamwork graph to enhance users' productivity in their daily use of Atlassian products. Our AI assistant is unique because it exists within the workflow of our apps, optimizing for team over individual productivity, which other AI assistants focus on.

Agents:

Partner with specialized agents to delegate tasks, organize work and help solve complex problems.

Agents are AI-powered “teammates” that simplify specific tasks or rituals for individuals and their teams. These agents can be tailored to the different needs of each organization, and customers can even create their own. Rovo’s agents are unique; they pair quality customer data and the teamwork graph, empowering every team to build their own agents.

Rovo allows teams to @mention agents and bring them into the conversation across workflows, or assign them work in Jira. Agents can create code and complete specific tasks per the team's instruction, and can also help write content on tailored company knowledge.

Atlassian Rovo is the result of a continued and thoughtful investment in our AI future. We know that with our breadth of users and team-centric data, we are in a unique position to realize the huge opportunities that open up with AI.

We look forward to providing you updates about our progress and the big bets we're making with AI in the years to come.



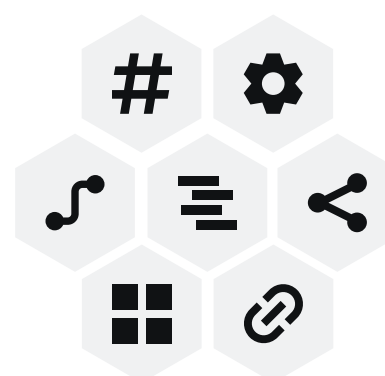
Rovo Agents



Out-of-the-box



Build yourself



Marketplace



LEGAL DISCLAIMER

These FY24 Investor Day materials contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Exchange Act and the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact could be deemed forward looking. In some cases, you can identify these statements by forward-looking words such as “may,” “will,” “expect,” “believe,” “anticipate,” “intend,” “could,” “should,” “estimate,” or “continue,” and similar expressions or variations, but these words are not the exclusive means for identifying such statements.

Atlassian undertakes no obligation to update any forward-looking statements made in these FY24 Investor Day materials to reflect events or circumstances after the date of this event or to reflect new information or the occurrence of unanticipated events.

The achievement or success of the matters covered by such forward-looking statements involves known and unknown risks, uncertainties, and assumptions. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, our results could differ materially from the results expressed or implied by the forward-looking statements we make. You should not rely upon forward-looking statements as predictions of future events. Forward-looking statements represent our management’s beliefs and assumptions only as of the date such statements are made.

These FY24 Investor Day materials include certain non-GAAP financial measures. These non-GAAP financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, any of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. We have provided a reconciliation of these measures to the most directly comparable GAAP measures on an Investor Relations data sheet on our Investor Relations website.

Further information on these and other factors that could affect our financial results is included in filings we make with the Securities and Exchange Commission from time to time, including the section titled “Risk Factors” in our most recent Forms 10-K and 10-Q. These documents are available on the SEC Filings section of the Investor Relations section of our website at: <https://investors.atlassian.com>.

ABOUT NON-GAAP FINANCIAL MEASURES

In addition to the measures presented in our condensed consolidated financial statements, we regularly review other measures that are not presented in accordance with GAAP, defined as non-GAAP financial measures by the SEC, to evaluate our business, measure our performance, identify trends, prepare financial forecasts and make strategic decisions. The key measures we consider are non-GAAP gross profit and non-GAAP gross margin, non-GAAP operating income and non-GAAP operating margin, non-GAAP net income, non-GAAP net income per diluted share and free cash flow (collectively, the “Non-GAAP Financial Measures”). These Non-GAAP Financial Measures, which may be different from similarly titled nonGAAP measures used by other companies, provide supplemental information regarding our operating performance on a non-GAAP basis that excludes certain gains, losses and charges of a non-cash nature or that occur relatively infrequently and/or that management considers to be unrelated to our core operations. Management believes that tracking and presenting these Non-GAAP Financial Measures provides management, our board of directors, investors and the analyst community with the ability to better evaluate matters such as: our ongoing core operations, including comparisons between periods and against other companies in our industry; our ability to generate cash to service our debt and fund our operations; and the underlying business trends that are affecting our performance.

- Our Non-GAAP Financial Measures include:
- *Non-GAAP gross profit and Non-GAAP gross margin.* Excludes expenses related to stock-based compensation, amortization of acquired intangible assets, and restructuring charges.
 - *Non-GAAP operating income and non-GAAP operating margin.* Excludes expenses related to stock-based compensation, amortization of acquired intangible assets, and restructuring charges.
 - *Non-GAAP net income and non-GAAP net income per diluted share.* Excludes expenses related to stock-based compensation, amortization of acquired intangible assets, restructuring charges, gain on a non-cash sale of a controlling interest of a subsidiary, and the related income tax adjustments.
 - *Free cash flow.* Free cash flow is defined as net cash provided by operating activities less capital expenditures, which consists of purchases of property and equipment.

We understand that although these Non-GAAP Financial Measures are frequently used by investors and the analyst community in their evaluation of our financial performance, these measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. We compensate for such limitations by reconciling these Non-GAAP Financial Measures to the most comparable GAAP financial measures. We encourage you to review the tables in this shareholder letter titled “Reconciliation of GAAP to Non-GAAP Results” and “Reconciliation of GAAP to Non-GAAP Financial Targets” that present such reconciliations.

We define the number of customers with Cloud ARR greater than \$10,000 at the end of any particular period as the number of organizations with unique domains with an active Cloud subscription and greater than \$10,000 in Cloud ARR.

We define annual recurring revenue (“ARR”) as the annualized recurring run-rate revenue of subscription agreements to our Cloud and Data Canter offerings at a point in time. We calculate ARR by taking the monthly recurring revenue (“MRR”) run-rate for Cloud and Data Center subscriptions and multiplying it by 12. Cloud MRR for each month is calculated by aggregating monthly recurring revenue from committed contractual amounts at a point in time. Data Center MRR for each month is calculated based on the annual contract value from committed contractual amounts at a point in time. Cloud ARR on a single product basis is defined as Cloud ARR from subscriptions for that specific product. ARR and MRR should be viewed independently of revenue and do not represent our revenue under GAAP, as they are operational metrics that can be affected by contract start and end dates and renewal rates.

We calculate net expansion rate at a point in time by dividing MRR at the end of a reporting period (“Current Period MRR”) by the MRR for the same group of customers at the end of the prior 12-month period. Current Period MRR includes existing customer expansion net of existing customer contraction and attrition but excludes MRR from new customers in the current period.

Reconciliation of GAAP to non-GAAP results

(U.S. \$ and shares in thousands, except percentages)
(unaudited)

	FY20	FY21	FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24	Q2 FY24	Q3 FY24
Gross profit											
GAAP gross profit	\$ 1,348,184	\$ 1,757,282	\$ 2,349,968	\$ 668,000	\$ 716,759	\$ 746,801	\$ 769,322	\$ 2,900,882	\$ 799,746	\$ 865,574	\$ 975,703
Plus: Stock-based compensation	16,163	19,879	31,358	10,613	18,553	17,293	17,166	63,625	16,821	19,213	17,840
Plus: Amortization of acquired intangible assets	29,509	22,394	22,694	5,697	5,697	5,696	5,763	22,853	5,772	7,056	12,454
Plus (Less): Restructuring charges (1)	—	—	—	—	—	9,247	(55)	9,192	—	—	—
Non-GAAP gross profit	\$ 1,393,856	\$ 1,799,555	\$ 2,404,020	\$ 684,310	\$ 741,009	\$ 779,037	\$ 792,196	\$ 2,996,552	\$ 822,339	\$ 891,843	\$ 1,005,997
Gross margin											
GAAP gross margin	84%	84%	84%	83%	82%	82%	82%	82%	82%	82%	82%
Plus: Stock-based compensation	1	1	1	1	2	2	2	2	2	2	2
Plus: Amortization of acquired intangible assets	1	1	1	1	1	—	—	1	—	—	1
Plus (Less): Restructuring charges (1)	—	—	—	—	—	1	—	—	—	—	—
Non-GAAP gross margin	86%	86%	86%	85%	85%	85%	84%	85%	84%	84%	85%
Research and development expenses											
GAAP research and development expenses	\$ 728,703	932,994	1,291,877	399,006	473,676	522,344	474,855	1,869,881	481,738	536,779	\$ 576,490
Less: Share-based payment expense	(166,752)	(220,294)	(328,978)	(110,129)	(169,342)	(161,948)	(157,016)	(598,435)	(150,446)	(187,819)	(190,322)
Less: Amortization of acquired intangible assets	(166)	(168)	(374)	(94)	(93)	(94)	(93)	(374)	(94)	(93)	(94)
Plus (Less): Restructuring charges (1)	—	—	—	—	—	(43,321)	172	(43,149)	—	—	—
Non-GAAP research and development expenses	\$ 561,785	712,532	962,525	288,783	304,241	316,981	317,918	1,227,923	331,198	348,867	\$ 386,074
Marketing and sales expenses											
GAAP marketing and sales expenses	\$ 295,032	\$ 371,644	\$ 535,815	\$ 160,128	\$ 186,191	\$ 220,921	\$ 202,621	\$ 769,861	\$ 193,567	\$ 220,513	\$ 223,814
Less: Share-based payment expense	(36,293)	(44,754)	(76,209)	(23,195)	(38,156)	(34,662)	(33,911)	(129,924)	(32,281)	(38,168)	(33,383)
Less: Amortization of acquired intangible assets	(12,860)	(9,192)	(9,330)	(2,505)	(2,506)	(2,365)	(2,524)	(9,900)	(2,365)	(2,712)	(3,646)
Plus (Less): Restructuring charges (1)	—	—	—	—	—	(24,186)	318	(23,868)	—	—	—
Non-GAAP marketing and sales expenses	\$ 245,879	\$ 317,698	\$ 450,276	\$ 134,428	\$ 145,529	\$ 159,708	\$ 166,504	\$ 606,169	\$ 158,921	\$ 179,633	\$ 186,785
General and administrative expenses											
GAAP general and administrative expenses	\$ 265,672	\$ 311,238	\$ 452,193	\$ 142,893	\$ 156,131	\$ 165,103	\$ 142,235	\$ 606,362	\$ 143,310	\$ 157,344	\$ 157,595
Less: Share-based payment expense	(43,847)	(55,890)	(88,258)	(29,694)	(39,734)	(38,775)	(37,625)	(145,828)	(36,033)	(44,645)	(40,974)
Plus (Less): Restructuring charges (1)	—	—	—	—	—	(21,094)	409	(20,685)	—	—	—
Non-GAAP general and administrative expenses	\$ 221,825	\$ 255,348	\$ 363,935	\$ 113,199	\$ 116,397	\$ 105,234	\$ 105,019	\$ 439,849	\$ 107,277	\$ 112,699	\$ 116,621
Operating income											
GAAP operating income (loss)	\$ 58,777	\$ 141,406	\$ 70,083	\$ (34,027)	\$ (99,239)	\$ (161,567)	\$ (50,389)	\$ (345,222)	\$ (18,869)	\$ (49,062)	\$ 17,804
Plus: Stock-based compensation	263,055	340,817	524,803	173,631	265,785	252,678	245,718	937,812	235,581	289,845	282,519
Plus: Amortization of acquired intangible assets	42,535	31,754	32,398	8,296	8,296	8,155	8,380	33,127	8,231	9,861	16,194
Plus (Less): Restructuring charges (1)	—	—	—	—	—	97,848	(954)	96,894	—	—	—
Non-GAAP operating income	\$ 364,367	\$ 513,977	\$ 627,284	\$ 147,900	\$ 174,842	\$ 197,114	\$ 202,755	\$ 722,611	\$ 224,943	\$ 250,644	\$ 316,517
Operating margin											
GAAP operating margin	4%	7%	3%	(4)%	(11)%	(18)%	(5)%	(10)%	(2)%	(5)%	1%
Plus: Stock-based compensation	16	16	18	21	30	28	26	26	24	28	25
Plus: Amortization of acquired intangible assets	3	2	1	1	1	1	1	1	1	1	1
Plus (Less): Restructuring charges (1)	—	—	—	—	—	11	—	3	—	—	—
Non-GAAP operating margin	23%	25%	22%	18%	20%	22%	22%	20%	23%	24%	27%
Free cash flow											
GAAP net cash provided by operating activities	\$ 529,785	\$ 789,960	\$ 821,044	\$ 92,442	\$ 150,525	\$ 352,369	\$ 272,775	\$ 868,111	\$ 166,956	\$ 289,594	\$ 565,390
Less: Capital expenditures	(35,709)	(31,520)	(70,583)	(16,496)	(4,040)	(2,691)	(2,425)	(25,652)	(3,669)	(5,333)	(10,520)
Free cash flow	\$ 494,076	\$ 758,440	\$ 750,461	\$ 75,946	\$ 146,485	\$ 349,678	\$ 270,350	\$ 842,459	\$ 163,287	\$ 284,261	\$ 554,870

(1) Restructuring charges include stock-based compensation expense related to the rebalancing of resources for Q3 FY23, Q4 FY23 and FY23

Reconciliation of GAAP to non-GAAP financial targets

	Twelve Months Ending June 30, 2024
GAAP operating margin	(3.0%)
Plus: Stock-based compensation	25.0
Plus: Amortization of acquired intangible assets	1.0
Non-GAAP operating margin	23.0%