



Q1 FY19 Results

October 18, 2018

Legal disclosure

This presentation contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, which statements involve substantial risks and uncertainties. All statements other than statements of historical fact could be deemed forward looking, including Atlassian's financial targets such as revenue, share count and IFRS and non-IFRS financial measures including gross margin, operating margin, net income per diluted share and free cash flow.

Atlassian undertakes no obligation to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, except as required by law.

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.

This presentation includes certain non-IFRS financial measures. These non-IFRS financial measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with IFRS. There are a number of limitations related to the use of these non-IFRS financial measures versus their nearest IFRS equivalents. For example, other companies may calculate non-IFRS financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-IFRS financial measures as tools for comparison. We have provided a reconciliation of those measures to the most directly comparable IFRS measures, which is available in the appendix.

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 20-F and 6-K (reporting our quarterly results). These documents are available on the SEC Filings section of the Investor Relations section of our website at: <https://investors.atlassian.com>.

REVENUE

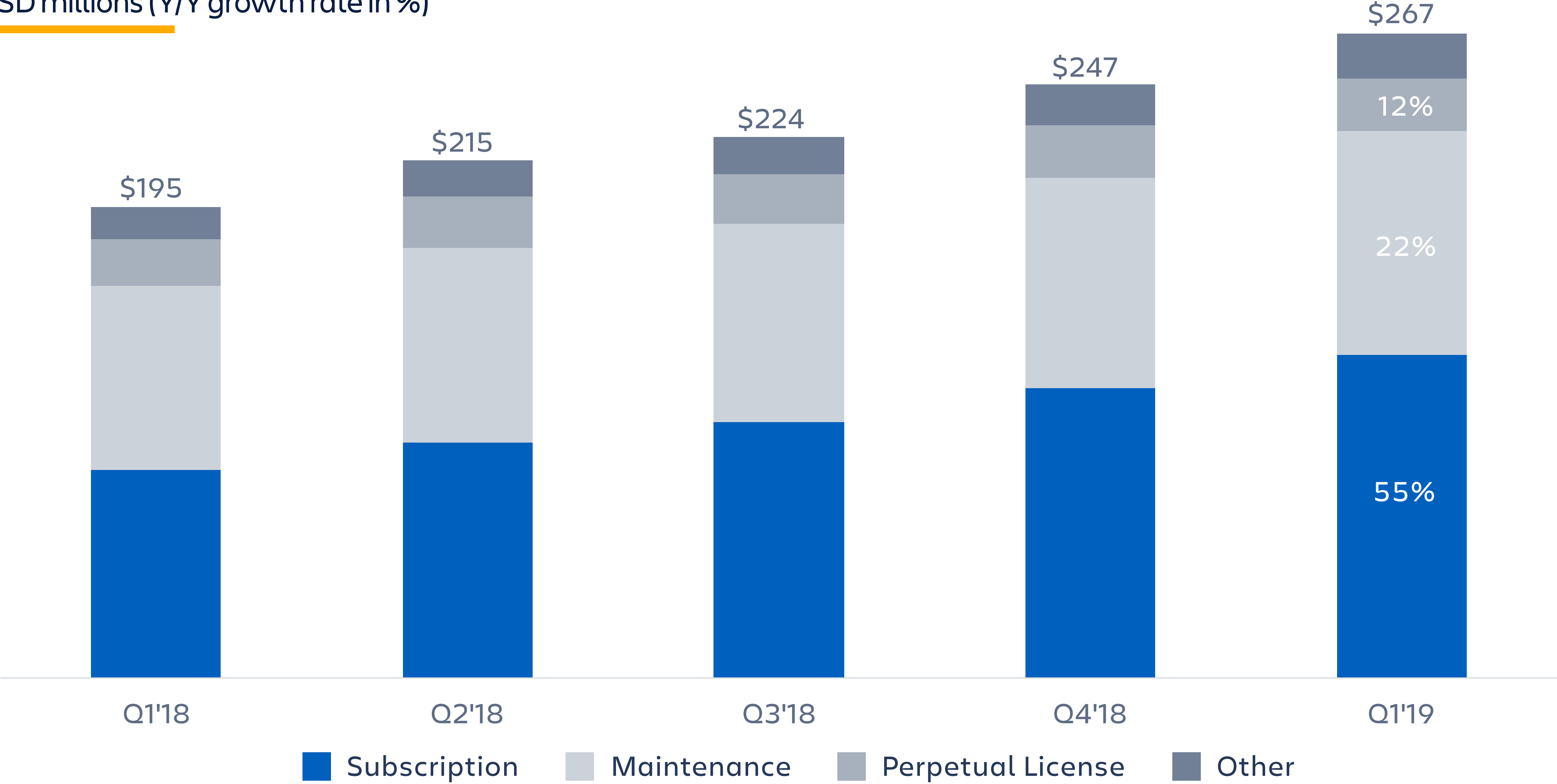
USD millions (Y/Y growth rate in %)



Note: All financial results and targets in this letter are based on the new revenue recognition standard IFRS 15.
Prior period information has been adjusted to reflect the adoption of IFRS 15.

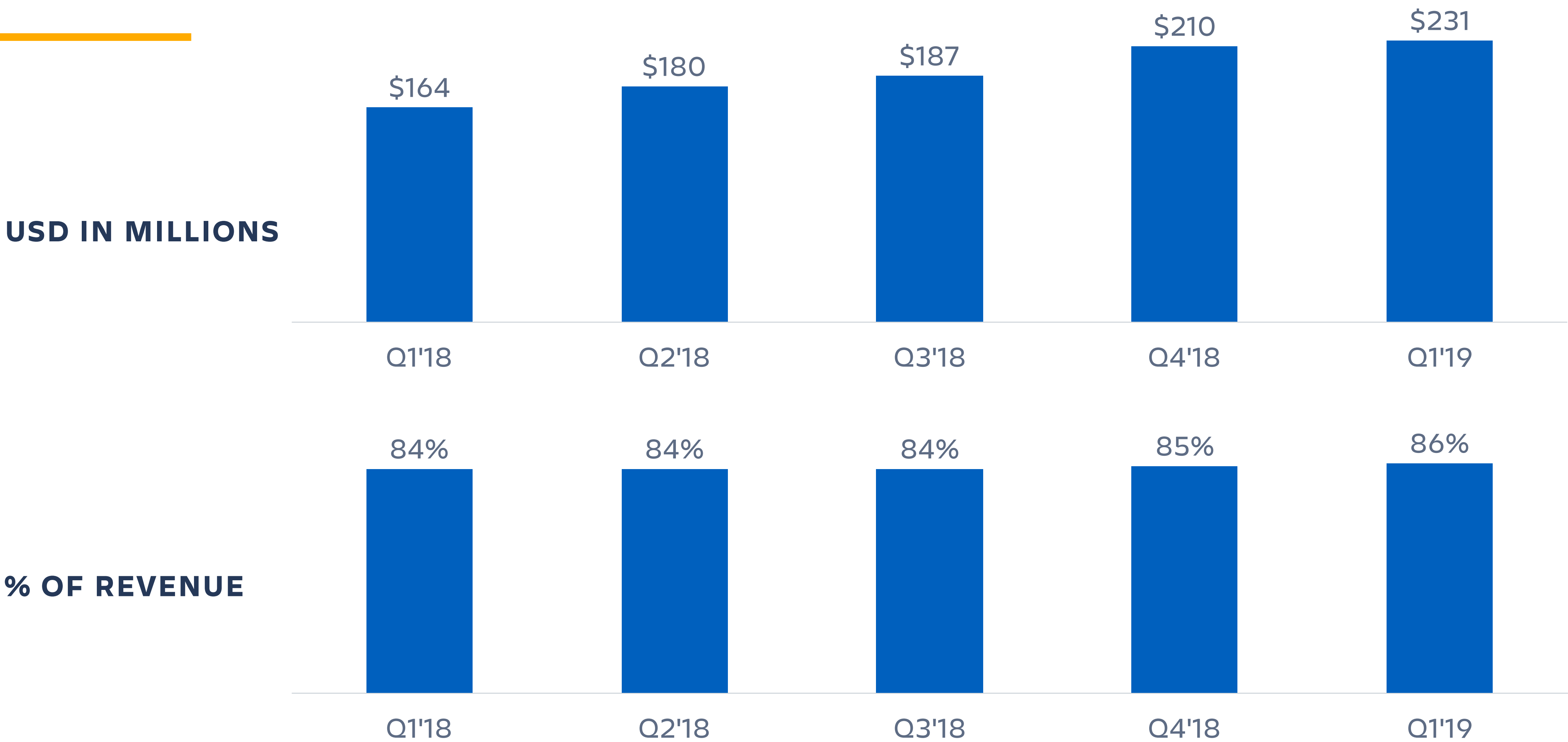
REVENUE

USD millions (Y/Y growth rate in %)



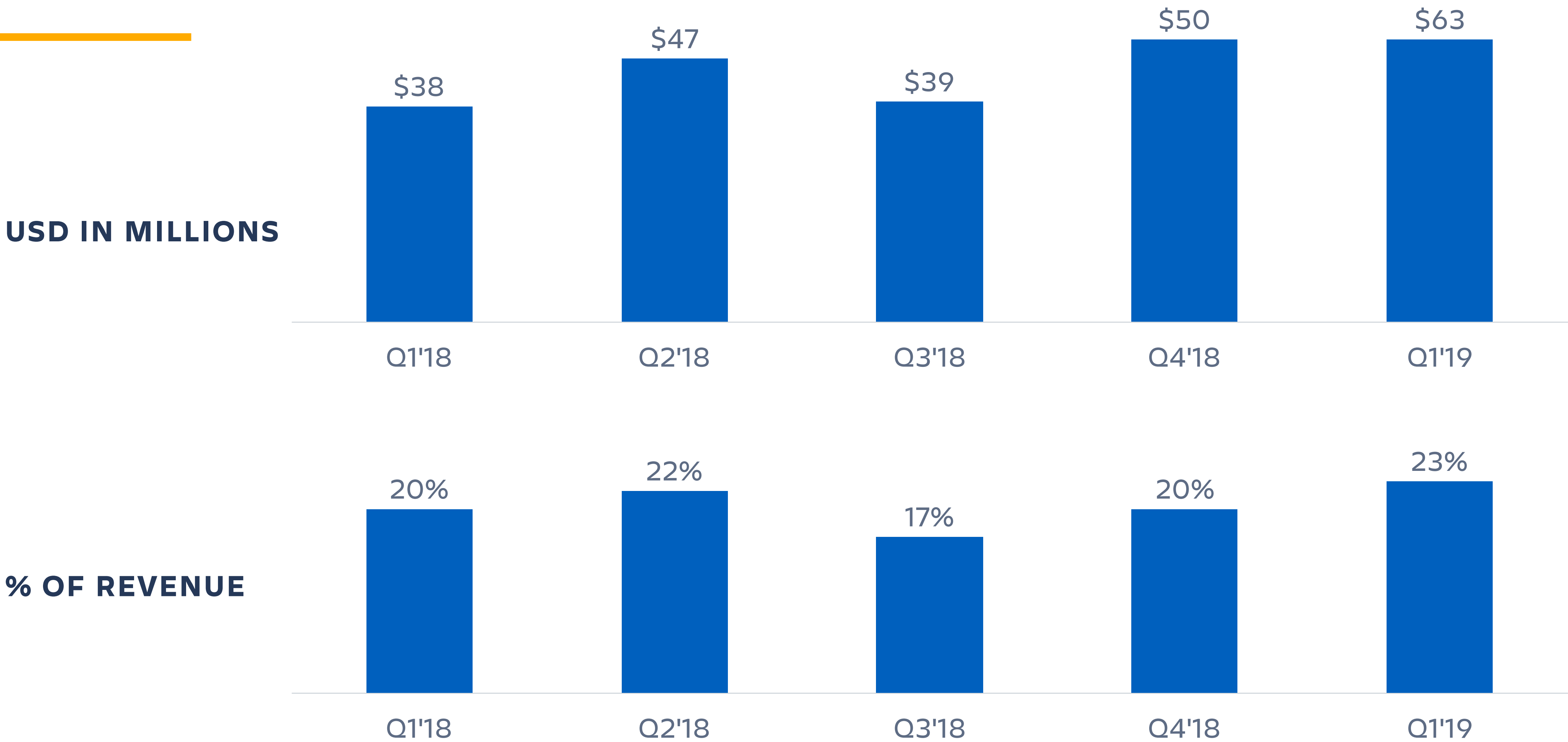
Note: Prior period information has been adjusted to reflect the adoption of IFRS 15.

NON-IFRS GROSS PROFIT



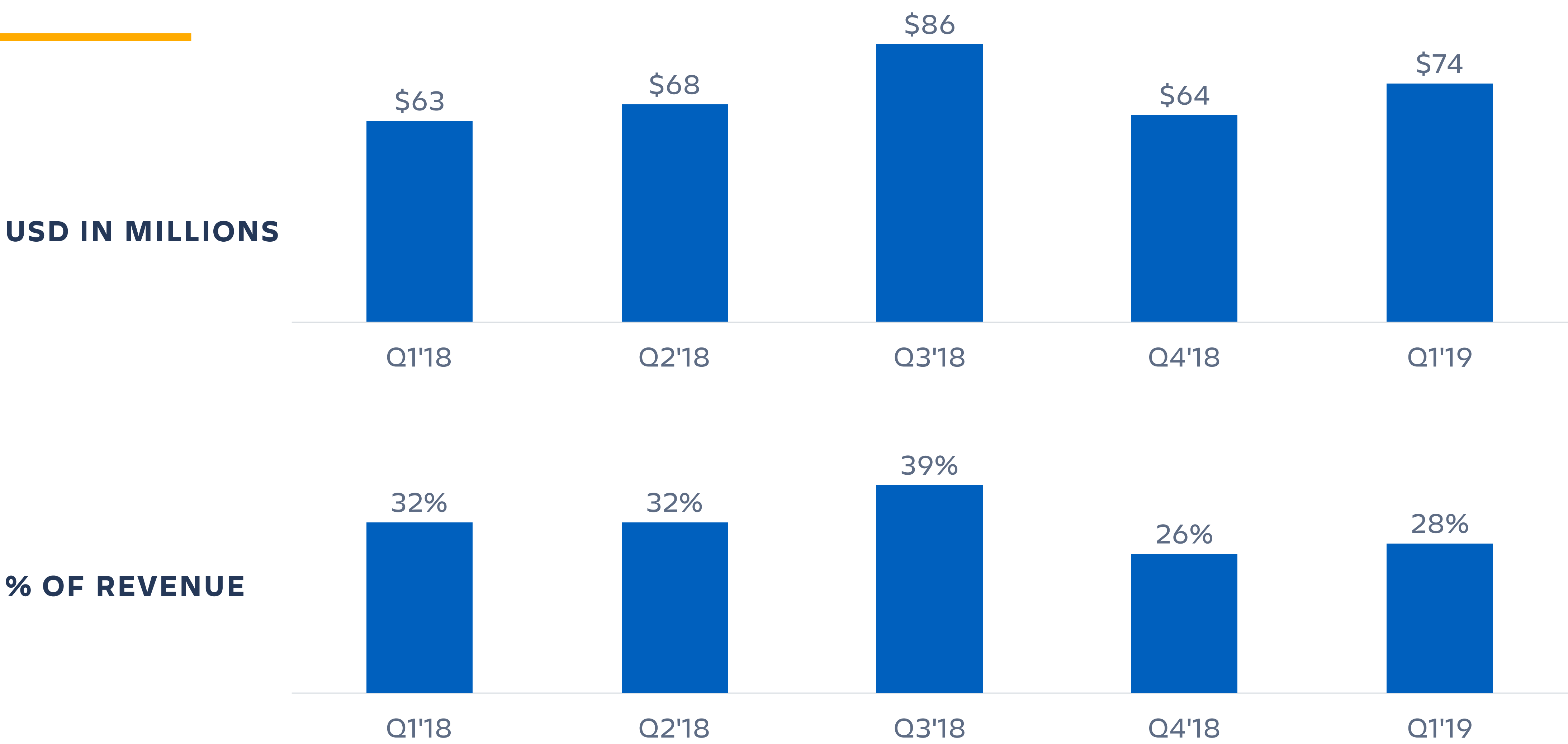
Note: Prior period information has been adjusted to reflect the adoption of IFRS 15.

NON-IFRS OPERATING INCOME



Note: Prior period information has been adjusted to reflect the adoption of IFRS 15.

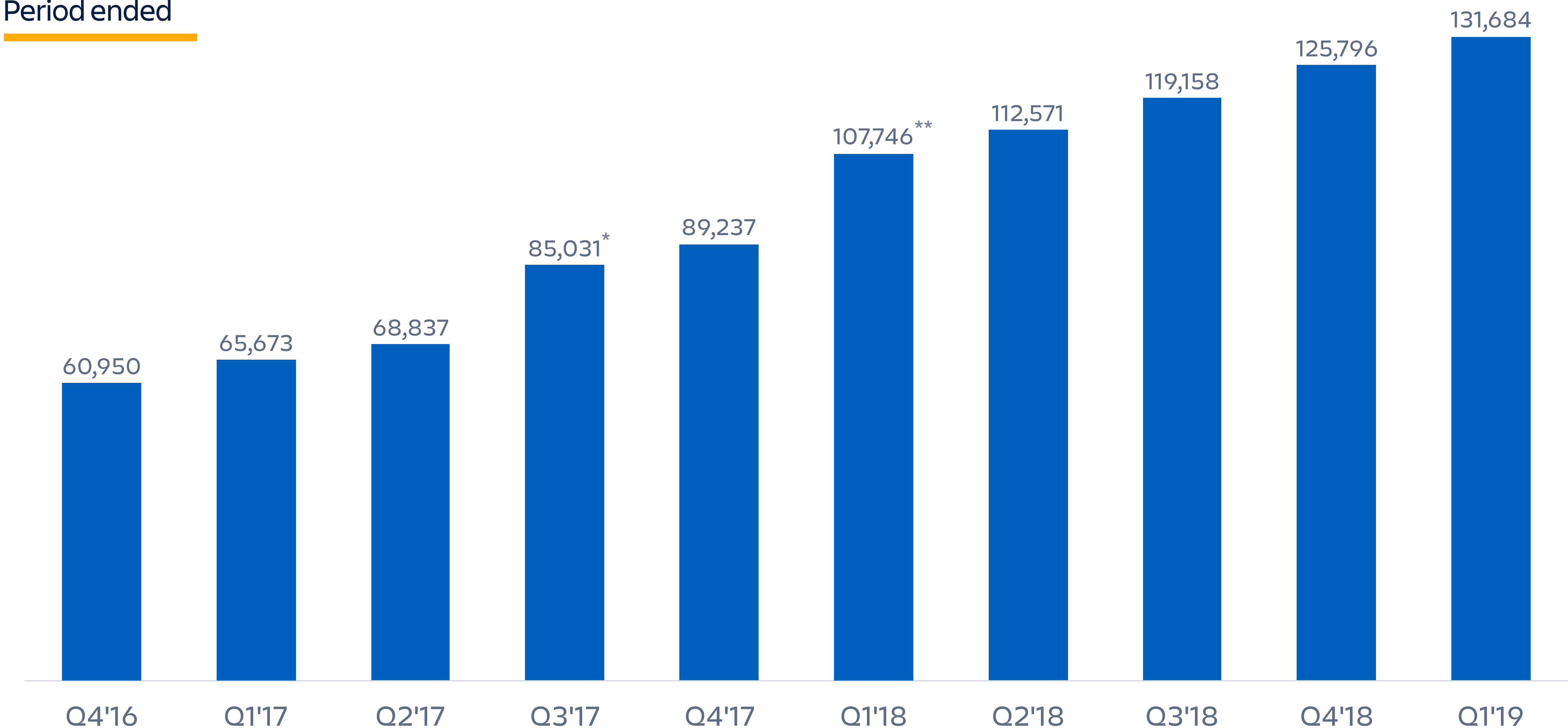
FREE CASH FLOW



Note: Free cash flow is defined as cash flow from operations less capital expenditures, which consists of purchases of property and equipment.

CUSTOMERS

Period ended



*Includes an increase in customers of 12,789 as a result of our acquisition of Trello during Q3'17.

**Includes an increase of 14,263 customers primarily as a result of Bitbucket Cloud pricing changes.

Customers: We define the number of customers at the end of any particular period as the number of organizations with unique domains that have at least one active and paid product license or subscription for which they paid approximately \$10 or more per month.

FINANCIAL TARGETS - Q2'19 & FISCAL 2019

	IFRS	
	Three Months Ending December 31, 2018	Fiscal Year Ending June 30, 2019
Revenue	\$287 million to \$289 million	\$1,175 million to \$1,183 million
Gross margin	83%	82% to 83%
Operating margin	(6%)	(7%)
Net loss per share - diluted	(\$0.07)	(\$1.30)
Weighted-avg. shares used in computing diluted IFRS net loss per share	238 million to 239 million	238 million to 240 million

	Non-IFRS	
	Three Months Ending December 31, 2018	Fiscal Year Ending June 30, 2019
Gross margin	86%	85% to 86%
Operating margin	22%	20%
Net income per share - diluted	\$0.21	\$0.78
Weighted-avg. shares used in computing diluted non-IFRS net income per share	249 million to 250 million	250 million to 252 million
Free cash flow	not provided	\$360 million to \$370 million

Note: Financial targets provided as of October 18, 2018. All numbers are approximate.

Appendix



ATLASSIAN

Investor Relations Data Sheet

The financial results below are based on the new revenue recognition standard (IFRS 15). Prior periods have been adjusted to reflect the impact of the full retrospective adoption of IFRS 15.

	Description	FY2017	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	FY2018	Q1 FY19
Revenue by Type (\$ in thousands)	Subscription	249,823	86,391	97,704	106,295	120,304	410,694	134,065
	Maintenance	264,453	76,219	80,489	82,212	87,591	326,511	92,736
	Perpetual license	74,058	19,448	21,444	20,581	21,698	83,171	21,839
	Other	38,350	13,422	14,941	15,242	16,997	60,602	18,652
	Total revenues	626,684	195,480	214,578	224,330	246,590	880,978	267,292
Revenue Growth Rates (% Y/Y)	Subscription						64%	55%
	Maintenance						23%	22%
	Perpetual license						12%	12%
	Other						58%	39%
	Total revenues						41%	37%
IFRS Results (\$ in thousands)	Total revenues	626,684	195,480	214,578	224,330	246,590	880,978	267,292
	Cost of revenues	119,161	40,090	43,164	45,240	44,196	172,690	45,185
	Gross profit	507,523	155,390	171,414	179,090	202,394	708,288	222,107
	Research and development	310,169	94,862	101,324	108,544	111,046	415,776	124,380
	Marketing and sales	134,404	45,092	44,519	48,655	49,049	187,315	52,262
	General and administrative	118,784	35,725	38,584	32,167	44,766	151,242	45,657
	Operating expenses	563,357	175,679	184,427	189,366	204,861	754,333	222,299
	Operating income (loss)	(55,834)	(20,289)	(13,013)	(10,276)	(2,467)	(46,045)	(192)
	Income tax benefit (expense)	14,951	8,238	(52,264) ^a	(8,280)	(2,995)	(55,301)	(2,369)
	Net income (loss)	(37,449)	(11,470)	(64,209)	(15,823)	(21,930)	(113,432)	(242,445)
Share-Based Payment Expense (\$ in thousands)	Cost of revenues	6,856	2,992	3,180	3,021	2,762	11,955	3,519
	Research and development	79,384	25,971	27,020	25,347	20,271	98,609	26,846
	Marketing and sales	17,395	6,209	6,136	5,816	5,444	23,605	7,761
	General and administrative	33,813	8,953	9,015	737	9,999	28,704	10,254
	Total share-based payment expense	137,448	44,125	45,351	34,921	38,476	162,873	48,380
IFRS to Non-IFRS Reconciliation: Cost of Revenues (\$ in thousands)	Cost of revenues	119,161	40,090	43,164	45,240	44,196	172,690	45,185
	Less: Share-based payment expense	6,856	2,992	3,180	3,021	2,762	11,955	3,519
	Less: Amortization of acquired intangible assets	14,587	5,293	5,294	5,302	5,299	21,188	5,351
	Non-IFRS cost of revenues	97,718	31,805	34,690	36,917	36,135	139,547	36,315
	% of total revenues	16%	16%	16%	16%	15%	16%	14%
IFRS to Non-IFRS Reconciliation: Research and Development (\$ in thousands)	Research and development	310,169	94,862	101,324	108,544	111,046	415,776	124,380
	Less: Share-based payment expense	79,384	25,971	27,020	25,347	20,271	98,609	26,846
	Non-IFRS research and development	230,785	68,891	74,304	83,197	90,775	317,167	97,534
	% of total revenues	37%	35%	35%	37%	37%	36%	36%
IFRS to Non-IFRS Reconciliation: Marketing and Sales (\$ in thousands)	Marketing and sales	134,404	45,092	44,519	48,655	49,049	187,315	52,262
	Less: Share-based payment expense	17,395	6,209	6,136	5,816	5,444	23,605	7,761
	Less: Amortization of acquired intangible assets	15,269	9,022	9,023	9,022	9,023	36,090	8,988
	Non-IFRS marketing and sales	101,740	29,861	29,360	33,817	34,582	127,620	35,513
	% of total revenues	16%	15%	14%	15%	14%	14%	13%
IFRS to Non-IFRS Reconciliation: General and Administrative (\$ in thousands)	General and administrative	118,784	35,725	38,584	32,167	44,766	151,242	45,657
	Less: Share-based payment expense	33,813	8,953	9,015	737	9,999	28,704	10,254
	Non-IFRS general and administrative	84,971	26,772	29,569	31,430	34,767	122,538	35,403
	% of total revenues	14%	14%	14%	14%	14%	14%	13%

The financial results below are based on the new revenue recognition standard (IFRS 15). Prior periods have been adjusted to reflect the impact of the full retrospective adoption of IFRS 15.

	Description	FY2017	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	FY2018	Q1 FY19
IFRS Operating Expenses Reconciled to Non-IFRS Operating Expenses (\$ in thousands)	IFRS operating expenses	563,357	175,679	184,427	189,366	204,861	754,333	222,299
	Less: Share-based payment expense	130,592	41,133	42,171	31,900	35,714	150,918	44,861
	Less: Amortization of acquired intangible assets	15,269	9,022	9,023	9,022	9,023	36,090	8,988
	Non-IFRS operating expenses	417,496	125,524	133,233	148,444	160,124	567,325	168,450
IFRS Gross Profit Reconciled to Non-IFRS Gross Profit (\$ in thousands)	IFRS gross profit	507,523	155,390	171,414	179,090	202,394	708,288	222,107
	Plus: Share-based payment expense	6,856	2,992	3,180	3,021	2,762	11,955	3,519
	Plus: Amortization of acquired intangible assets	14,587	5,293	5,294	5,302	5,299	21,188	5,351
	Non-IFRS gross profit	528,966	163,675	179,888	187,413	210,455	741,431	230,977
	Non-IFRS gross margin	84%	84%	84%	84%	85%	84%	86%
IFRS Operating Loss Reconciled to Non-IFRS Operating Income (\$ in thousands)	IFRS operating loss	(55,834)	(20,289)	(13,013)	(10,276)	(2,467)	(46,045)	(192)
	Plus: Share-based payment expense	137,448	44,125	45,351	34,921	38,476	162,873	48,380
	Plus: Amortization of acquired intangible assets	29,856	14,315	14,317	14,324	14,322	57,278	14,339
	Non-IFRS operating income	111,470	38,151	46,655	38,969	50,331	174,106	62,527
	Non-IFRS operating margin	18%	20%	22%	17%	20%	20%	23%
IFRS Net Loss Reconciled to Non-IFRS Net Income (\$ in thousands)	IFRS net loss	(37,449)	(11,470)	(64,209)	(15,823)	(21,930)	(113,432)	(242,445)
	Plus: Share-based payment expense	137,448	44,125	45,351	34,921	38,476	162,873	48,380
	Plus: Amortization of acquired intangible assets	29,856	14,315	14,317	14,324	14,322	57,278	14,339
	Plus: Non-coupon impact related to exchangeable senior notes and capped calls	–	–	–	–	19,892	19,892	244,686
	Less: Income tax effects and adjustments	(39,864)	(14,502)	36,564 ^a	(10,389)	(13,823)	(2,150)	(15,734)
	Non-IFRS net income	89,991	32,468	32,023	23,033	36,937	124,461	49,226
Net Cash Provided by Operating Activities Reconciled to Free Cash Flow (\$ in thousands)	Net cash provided by operating activities	199,381	65,249	72,328	91,676	82,203	311,456	84,929
	Less: Purchases of property and equipment	(15,129)	(2,564)	(4,550)	(5,293)	(17,802)	(30,209)	(10,716)
	Free cash flow	184,252	62,685	67,778	86,383	64,401	281,247	74,213
	% of total revenues	29%	32%	32%	39%	26%	32%	28%
Other Data (period ended)	Customers	89,237*	107,746**	112,571	119,158	125,796	125,796	131,684
	Employee Headcount	2,193	2,292	2,408	2,503	2,638	2,638	2,738
Revenue by Geography (\$ in thousands)	Americas	317,433	99,344	106,305	111,080	122,634	439,363	133,918
	EMEA	243,746	75,483	85,410	89,525	97,091	347,509	103,789
	Asia Pacific	65,505	20,653	22,863	23,725	26,865	94,106	29,585
	Total	626,684	195,480	214,578	224,330	246,590	880,978	267,292
Weighted-Average Shares Used in Computing Diluted EPS: IFRS to non-IFRS (in thousands)	IFRS diluted shares outstanding	222,224	228,156	230,208	232,221	234,206	231,184	236,219
	Dilution from options and RSUs	13,833	12,617	13,170	12,356	11,204	12,801	10,576
	Non-IFRS diluted shares outstanding	236,057	240,773	243,378	244,577	245,410	243,985	246,795
Reconciliation of Diluted Earnings Per Share (\$)	IFRS diluted earnings per share	(0.17)	(0.05)	(0.28)	(0.07)	(0.09)	(0.49)	(1.03)
	Plus: Share-based payment expense	0.59	0.18	0.20	0.14	0.16	0.68	0.20
	Plus: Amortization of acquired intangible assets	0.13	0.06	0.06	0.06	0.06	0.25	0.06
	Plus: Non-coupon impact related to exchangeable senior notes and capped calls	–	–	–	–	0.08	0.08	1.03
	Less: Income tax effects and adjustments	(0.17)	(0.06)	0.15	(0.04)	(0.06)	(0.01)	(0.06)
	Non-IFRS diluted earnings per share	0.38	0.13	0.13	0.09	0.15	0.51	0.20

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

Note: We believe that for the purposes of our reported results and financial targets, the use of certain non-IFRS financial measures, including non-IFRS gross profit, non-IFRS operating income, non-IFRS net income, non-IFRS net income per diluted share and free cash flow is helpful to our investors. These measures, which we refer to as our non-IFRS financial measures, are not prepared in accordance with IFRS. Please see "About Non-IFRS Financial Measures" in our earnings press release for how we calculate our non-IFRS financial measures.

Our non-IFRS measures may not be comparable to similarly titled measures of other companies because other companies may not calculate these measures in the same manner as we do. We prepare these measures to eliminate the impact of items that we do not consider indicative of our core operating performance.

*Includes an increase of 12,789 customers as a result of our acquisition of Trello during the third quarter of fiscal 2017.

**Includes an increase of 14,263 customers primarily as a result of Bitbucket Cloud pricing changes.

^aAmount includes a non-cash charge of \$47.3 million to income tax expense during Q2'18 as a result of the write-down of Atlassian's deferred tax assets. The charge was driven by the reduction in the U.S. corporate income tax rate from 35% to 21% and Atlassian's assessment of the realizability of its deferred tax assets.



ATLASSIAN

Investor Relations Data Sheet

The financial results below are based on the previous revenue recognition standard (IAS 18).

	Description	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY2017	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	FY2018
Revenue by Type (\$ in thousands)	Subscription	49,931	56,326	63,369	72,502	242,128	84,378	95,793	105,604	117,439	403,214
	Maintenance	61,741	65,060	67,072	71,648	265,521	76,315	80,362	81,953	87,268	325,898
	Perpetual license	17,501	18,210	19,495	19,359	74,565	19,930	21,764	21,273	22,514	85,481
	Other	7,614	9,313	9,973	10,822	37,722	13,195	14,707	14,893	16,562	59,357
	Total revenues	136,787	148,909	159,909	174,331	619,936	193,818	212,626	223,723	243,783	873,950
Revenue Growth Rates (% Y/Y)	Subscription	64%	66%	64%	66%	65%	69%	70%	67%	62%	67%
	Maintenance	23%	22%	19%	22%	21%	24%	24%	22%	22%	23%
	Perpetual license	13%	16%	19%	8%	14%	14%	20%	9%	16%	15%
	Other	38%	40%	50%	49%	45%	73%	58%	49%	53%	57%
	Total revenues	34%	36%	36%	37%	36%	42%	43%	40%	40%	41%
IFRS Results (\$ in thousands)	Total revenues	136,787	148,909	159,909	174,331	619,936	193,818	212,626	223,723	243,783	873,950
	Cost of revenues	22,562	26,899	32,895	36,805	119,161	40,090	43,164	45,240	44,196	172,690
	Gross profit	114,225	122,010	127,014	137,526	500,775	153,728	169,462	178,483	199,587	701,260
	Research and development	67,458	69,758	82,262	90,691	310,169	94,862	101,324	108,544	111,046	415,776
	Marketing and sales	24,980	27,416	36,625	45,887	134,908	45,466	44,810	48,652	49,062	187,990
	General and administrative	26,915	27,475	31,190	33,204	118,784	35,725	38,584	32,167	44,766	151,242
	Operating expenses	119,353	124,649	150,077	169,782	563,861	176,053	184,718	189,363	204,874	755,008
	Operating income (loss)	(5,128)	(2,639)	(23,063)	(32,256)	(63,086)	(22,325)	(15,256)	(10,880)	(5,287)	(53,748)
	Income tax benefit (expense)	1,239	(211)	5,060	11,060	17,148	7,750	(51,042) ^a	(6,119)	(4,096)	(53,507)
	Net income (loss)	(2,637)	(1,698)	(17,461)	(20,708)	(42,504)	(13,994)	(65,230)	(14,266)	(25,851)	(119,341)
Share-Based Payment Expense (\$ in thousands)	Cost of revenues	1,339	1,505	1,853	2,159	6,856	2,992	3,180	3,021	2,762	11,955
	Research and development	16,999	16,159	21,628	24,598	79,384	25,971	27,020	25,347	20,271	98,609
	Marketing and sales	3,515	3,089	5,336	5,455	17,395	6,209	6,136	5,816	5,444	23,605
	General and administrative	8,670	7,053	8,965	9,125	33,813	8,953	9,015	737	9,999	28,704
	Total share-based payment expense	30,523	27,806	37,782	41,337	137,448	44,125	45,351	34,921	38,476	162,873
IFRS to Non-IFRS Reconciliation: Cost of Revenues (\$ in thousands)	Cost of revenues	22,562	26,899	32,895	36,805	119,161	40,090	43,164	45,240	44,196	172,690
	Less: Share-based payment expense	1,339	1,505	1,853	2,159	6,856	2,992	3,180	3,021	2,762	11,955
	Less: Amortization of acquired intangible assets	2,202	2,198	4,907	5,280	14,587	5,293	5,294	5,302	5,299	21,188
	Non-IFRS cost of revenues	19,021	23,196	26,135	29,366	97,718	31,805	34,690	36,917	36,135	139,547
	% of total revenues	14%	16%	16%	17%	16%	16%	16%	17%	15%	16%
IFRS to Non-IFRS Reconciliation: Research and Development (\$ in thousands)	Research and development	67,458	69,758	82,262	90,691	310,169	94,862	101,324	108,544	111,046	415,776
	Less: Share-based payment expense	16,999	16,159	21,628	24,598	79,384	25,971	27,020	25,347	20,271	98,609
	Non-IFRS research and development	50,459	53,599	60,634	66,093	230,785	68,891	74,304	83,197	90,775	317,167
	% of total revenues	37%	36%	38%	38%	37%	36%	35%	37%	37%	36%
IFRS to Non-IFRS Reconciliation: Marketing and Sales (\$ in thousands)	Marketing and sales	24,980	27,416	36,625	45,887	134,908	45,466	44,810	48,652	49,062	187,990
	Less: Share-based payment expense	3,515	3,089	5,336	5,455	17,395	6,209	6,136	5,816	5,444	23,605
	Less: Amortization of acquired intangible assets	196	219	4,866	9,988	15,269	9,022	9,023	9,022	9,023	36,090
	Non-IFRS marketing and sales	21,269	24,108	26,423	30,444	102,244	30,235	29,651	33,814	34,595	128,295
	% of total revenues	16%	16%	17%	17%	16%	16%	14%	15%	14%	15%
IFRS to Non-IFRS Reconciliation: General and Administrative (\$ in thousands)	General and administrative	26,915	27,475	31,190	33,204	118,784	35,725	38,584	32,167	44,766	151,242
	Less: Share-based payment expense	8,670	7,053	8,965	9,125	33,813	8,953	9,015	737	9,999	28,704
	Non-IFRS general and administrative	18,245	20,422	22,225	24,079	84,971	26,772	29,569	31,430	34,767	122,538
	% of total revenues	13%	14%	14%	14%	14%	14%	14%	14%	14%	14%
IFRS Operating Expenses Reconciled to Non-IFRS Operating Expenses (\$ in thousands)	IFRS operating expenses	119,353	124,649	150,077	169,782	563,861	176,053	184,718	189,363	204,874	755,008
	Less: Share-based payment expense	29,184	26,301	35,929	39,178	130,592	41,133	42,171	31,900	35,714	150,918
	Less: Amortization of acquired intangible assets	196	219	4,866	9,988	15,269	9,022	9,023	9,022	9,023	36,090
	Non-IFRS operating expenses	89,973	98,129	109,282	120,616	418,000	125,898	133,524	148,441	160,137	568,000

The financial results below are based on the previous revenue recognition standard (IAS 18).

	Description	Q1 FY17	Q2 FY17	Q3 FY17	Q4 FY17	FY2017	Q1 FY18	Q2 FY18	Q3 FY18	Q4 FY18	FY2018
IFRS Gross Profit Reconciled to Non-IFRS Gross Profit (\$ in thousands)	IFRS gross profit	114,225	122,010	127,014	137,526	500,775	153,728	169,462	178,483	199,587	701,260
	Plus: Share-based payment expense	1,339	1,505	1,853	2,159	6,856	2,992	3,180	3,021	2,762	11,955
	Plus: Amortization of acquired intangible assets	2,202	2,198	4,907	5,280	14,587	5,293	5,294	5,302	5,299	21,188
	Non-IFRS gross profit	117,766	125,713	133,774	144,965	522,218	162,013	177,936	186,806	207,648	734,403
	Non-IFRS gross margin	86%	84%	84%	83%	84%	84%	84%	83%	85%	84%
IFRS Operating Loss Reconciled to Non-IFRS Operating Income (\$ in thousands)	IFRS operating loss	(5,128)	(2,639)	(23,063)	(32,256)	(63,086)	(22,325)	(15,256)	(10,880)	(5,287)	(53,748)
	Plus: Share-based payment expense	30,523	27,806	37,782	41,337	137,448	44,125	45,351	34,921	38,476	162,873
	Plus: Amortization of acquired intangible assets	2,398	2,417	9,773	15,268	29,856	14,315	14,317	14,324	14,322	57,278
	Non-IFRS operating income	27,793	27,584	24,492	24,349	104,218	36,115	44,412	38,365	47,511	166,403
	Non-IFRS operating margin	20%	19%	15%	14%	17%	19%	21%	17%	19%	19%
IFRS Net Loss Reconciled to Non-IFRS Net Income (\$ in thousands)	IFRS net loss	(2,637)	(1,698)	(17,461)	(20,708)	(42,504)	(13,994)	(65,230)	(14,266)	(25,851)	(119,341)
	Plus: Share-based payment expense	30,523	27,806	37,782	41,337	137,448	44,125	45,351	34,921	38,476	162,873
	Plus: Amortization of acquired intangible assets	2,398	2,417	9,773	15,268	29,856	14,315	14,317	14,324	14,322	57,278
	Plus: Non-coupon impact related to exchangeable senior notes and capped calls	–	–	–	–	–	–	–	–	19,892	19,892
	Less: Income tax effects and adjustments	(7,564)	(6,861)	(11,162)	(14,277)	(39,864)	(14,502)	36,564 ^a	(10,389)	(13,823)	(2,150)
	Non-IFRS net income	22,720	21,664	18,932	21,620	84,936	29,944	31,002	24,590	33,016	118,552
Net Cash Provided by Operating Activities Reconciled to Free Cash Flow (\$ in thousands)	Net cash provided by operating activities	28,462	47,399	72,923	50,597	199,381	65,249	72,328	91,676	82,203	311,456
	Less: Purchases of property and equipment	(2,391)	(2,907)	(4,623)	(5,208)	(15,129)	(2,564)	(4,550)	(5,293)	(17,802)	(30,209)
	Free cash flow	26,071	44,492	68,300	45,389	184,252	62,685	67,778	86,383	64,401	281,247
	% of total revenues	19%	30%	43%	26%	30%	32%	32%	39%	26%	32%
Other Data (period ended)	Customers	65,673	68,837	85,031*	89,237	89,237	107,746**	112,571	119,158	125,796	125,796
	Employee Headcount	1,833	1,888	2,078	2,193	2,193	2,292	2,408	2,503	2,638	2,638
Revenue by Geography (\$ in thousands)	Americas	69,645	74,714	80,374	87,781	312,514	98,176	105,332	111,114	120,849	435,471
	EMEA	52,809	58,587	62,808	68,292	242,496	75,286	84,736	89,269	97,071	346,362
	Asia Pacific	14,333	15,608	16,727	18,258	64,926	20,356	22,558	23,340	25,863	92,117
	Total	136,787	148,909	159,909	174,331	619,936	193,818	212,626	223,723	243,783	873,950
Weighted-Average Shares Used in Computing Diluted EPS: IFRS to non-IFRS (in thousands)	IFRS diluted shares outstanding	218,504	221,316	223,333	225,805	222,224	228,156	230,208	232,221	234,206	231,184
	Dilution from options and RSUs	15,609	13,288	12,900	13,596	13,833	12,617	13,170	12,356	11,204	12,801
	Non-IFRS diluted shares outstanding	234,113	234,604	236,233	239,401	236,057	240,773	243,378	244,577	245,410	243,985
Reconciliation of Diluted Earnings Per Share (\$)	IFRS diluted earnings per share	(0.01)	(0.01)	(0.08)	(0.09)	(0.19)	(0.06)	(0.28)	(0.06)	(0.11)	(0.52)
	Plus: Share-based payment expense	0.13	0.12	0.17	0.18	0.59	0.18	0.20	0.14	0.16	0.69
	Plus: Amortization of acquired intangible assets	0.01	0.01	0.04	0.06	0.13	0.06	0.06	0.06	0.06	0.25
	Plus: Non-coupon impact related to exchangeable senior notes and capped calls	–	–	–	–	–	–	–	–	0.08	0.08
	Less: Income tax effects and adjustments	(0.03)	(0.03)	(0.05)	(0.06)	(0.17)	(0.06)	0.15	(0.04)	(0.06)	(0.01)
	Non-IFRS diluted earnings per share	0.10	0.09	0.08	0.09	0.36	0.12	0.13	0.10	0.13	0.49

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided.

Note: We believe that for the purposes of our reported results and financial targets, the use of certain non-IFRS financial measures, including non-IFRS gross profit, non-IFRS operating income, non-IFRS net income, non-IFRS net income per diluted share and free cash flow is helpful to our investors. These measures, which we refer to as our non-IFRS financial measures, are not prepared in accordance with IFRS. Please see "About Non-IFRS Financial Measures" in our earnings press release for how we calculate our non-IFRS financial measures.

Our non-IFRS measures may not be comparable to similarly titled measures of other companies because other companies may not calculate these measures in the same manner as we do. We prepare these measures to eliminate the impact of items that we do not consider indicative of our core operating performance.

*Includes an increase of 12,789 customers as a result of our acquisition of Trello during the third quarter of fiscal 2017.

**Includes an increase of 14,263 customers primarily as a result of Bitbucket Cloud pricing changes.

^aAmount includes a non-cash charge of \$47.3 million to income tax expense during Q2'18 as a result of the write-down of Atlassian's deferred tax assets. The charge was driven by the reduction in the U.S. corporate income tax rate from 35% to 21% and Atlassian's assessment of the realizability of its deferred tax assets.

RECONCILIATION OF IFRS TO NON-IFRS FINANCIAL TARGETS

	Three Months Ending December 31, 2018	Fiscal Year Ending June 30, 2019
Revenue	\$287 million to \$289 million	\$1,175 million to \$1,183 million
IFRS gross margin	83%	82% to 83%
Plus: Share-based payment expense	1	1
Plus: Amortization of acquired intangible assets	2	2
Non-IFRS gross margin	86%	85% to 86%
IFRS operating margin	(6%)	(7%)
Plus: Share-based payment expense	20	21
Plus: Amortization of acquired intangible assets	8	6
Non-IFRS operating margin	22%	20%
IFRS net loss per share - diluted	(\$0.07)	(\$1.30)
Plus: Share-based payment expense	0.23	0.97
Plus: Amortization of acquired intangible assets	0.09	0.28
Plus: Non-coupon impact related to exchangeable senior notes and capped calls	0.03	1.08
Less: Income tax effects and adjustments	(0.07)	(0.25)
Non-IFRS net income per share - diluted	\$0.21	\$0.78
Weighted-average shares used in computing diluted IFRS net loss per share	238 million to 239 million	238 million to 240 million
Dilution from share options and RSUs (1)	11 million	12 million
Weighted-average shares used in computing diluted non-IFRS net income per share	249 million to 250 million	250 million to 252 million
IFRS net cash provided by operating activities		\$400 million to \$410 million
Less: Capital expenditures		(40 million)
Free cash flow		\$360 million to \$370 million

Note: Financial targets provided as of October 18, 2018. All numbers are approximate.

(1) The effects of these dilutive securities are not included in our IFRS calculation of diluted net loss per share for the three months ending December 31, 2018 and fiscal year ending June 30, 2019 because the effect would be anti-dilutive.

