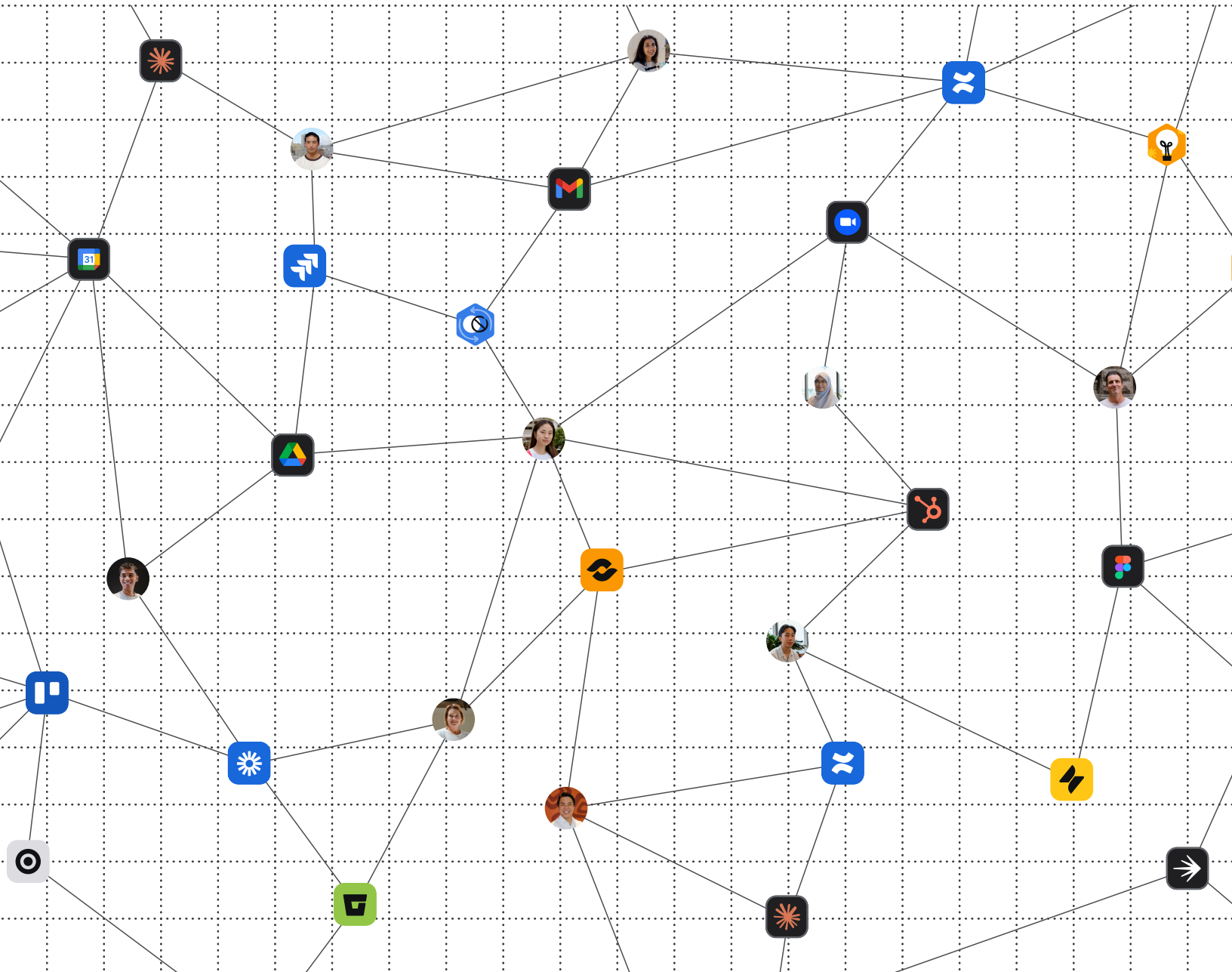
ATLASSIAN

Annual Report 2026



ATLASSIAN

FY26 Highlights

$6.6B

Total revenue, up 26% year-over-year

120%+

Cloud net revenue retention rate [1]

350K+

Cloud customers

$4.4B

Cloud revenue, up 28% year-over-year

$1.4B

Operating cash flow

700+

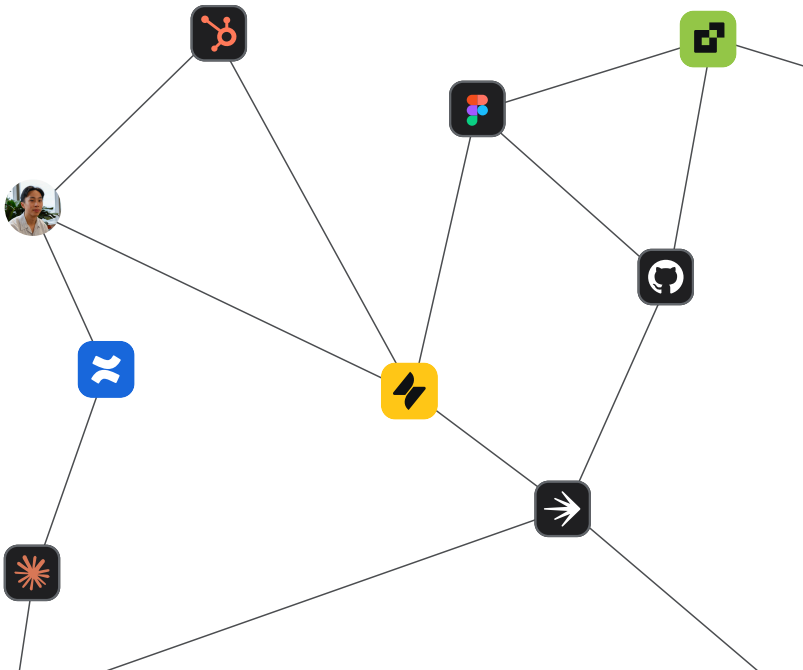
Customers spending >$1M annually

$6.6B

Subscription ARR, up 23% year-over-year [2]

$1.3B

Free cash flow [3]



[1] Cloud net revenue retention rate is calculated by dividing monthly recurring revenue (MRR) from Cloud customers at the end of the period by the MRR from cloud 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.

[2] Refer to page 52 of the Annual Report for the definition of Subscription ARR.

[3] Free cash flow is defined as net cash provided by operating activities less capital expenditures, which consists of purchases of property and equipment. Refer to page 52 of the Annual Report for a reconciliation of GAAP to non-GAAP financial measures.

To Our Stockholders, Customers, Partners and Atlassians -



Closing out fiscal 2026, I have more conviction than ever in Atlassian's long term opportunity. We're living through an incredibly fast-moving moment in technology but in complex times, I focus on what's important. Listening to customers, anchoring in facts, adapting to change, executing with discipline, and building with heart and balance. Through all the noise this year, I'm incredibly proud of how our TEAM has delivered against the strategy we laid out.

We made great progress against our strategic priorities this year - scaling our enterprise momentum, expanding our System of Work across every team, and cementing Atlassian's position in the AI era. We did this while sharpening our focus on driving durable, profitable growth, and it shows in our results.

Cloud revenue growth accelerated during fiscal 2026 and closed the year totaling $4.4 billion. This was fueled by strong seat expansion in Jira and Confluence, and cross-sell momentum in Collections as customers scaled their usage of agents and deployed Rovo across their workflows. Total revenue grew 26% y/y to $6.6 billion, Subscription ARR grew 23% y/y surpassing $6.6 billion*, and Remaining Performance Obligation grew 44% y/y to over $4.8 billion. This shows that customers increasingly see Atlassian as a trusted, long-term partner to help transform how they work.

At the heart of our momentum is AI, and as this technology reshapes software, it naturally raises questions about what comes next for enterprise platforms. My view is simple. As models become democratized and increasingly capable, context becomes the real differentiator.

That's where our heritage matters. For over two decades, our mission has been to unleash the potential of every team. Powering billions of workflows for 350,000+ organizations across every industry gives us a deep understanding of how work gets done. Our platform sits at the center of how teams plan, build, support, and operate.

Our System of Work connects that activity across functions like HR, Marketing, Finance, and IT. And our Teamwork Graph turns all of that into organizational context that makes AI more useful, reliable, efficient, and cost-effective.

This gives us massive traction with enterprise customers. The world's biggest organizations are deepening their commitment to Atlassian with bigger and longer deals. In fiscal 2026, we hit new records with large customer contracts, landed the single biggest deal in our history, and grew our $5M+ ARR customer base by 70% year-over-year.

Looking ahead, I believe organizations won't run on dozens of disconnected knowledge graphs. They'll choose a handful of trusted platforms that actually understand how work gets done. Atlassian is built for exactly that. Anyone can buy intelligence by the token, but real acceleration takes intelligence plus context. We provide the teamwork context that AI models simply can't create on their own, and that value only compounds as teams lean into our System of Work.

We're heads down, executing against our priorities of Enterprise, System of Work, and AI while maintaining the financial discipline that builds an enduring business. In fiscal 2026, we delivered $1.3 billion of free cash flow** and GAAP operating profitability for the full year.

Fiscal 2026 was massive but I'm even more energized by what's ahead.

To the entire Atlassian team, thank you. Everything we achieved this year is because of each of you. And to our stockholders, customers, and partners: thank you for your continued trust and support. The best is still to come.



Mike Cannon-Brookes
CEO and Co-Founder

* Refer to page 52 of the Annual Report for the definition of Subscription ARR.
**Free cash flow is defined as net cash provided by operating activities less capital expenditures, which consists of purchases of property and equipment. Refer to page 52 of the Annual Report for a reconciliation of GAAP to non-GAAP financial measures.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended June 30, 2026

or

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

Commission File Number 001-37651

Atlassian Corporation

(Exact name of registrant as specified in its charter)

Delaware	**88-3940934**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

350 Bush Street, Floor 13
San Francisco, California 94104
(Address of principal executive offices and Zip Code)

(415) 701-1110
(Registrant's telephone number, including area code)

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Class A Common Stock, par value $0.00001 per share	TEAM	Nasdaq Global Select Market

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

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

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

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

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

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

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

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

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

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

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

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

The aggregate market value of the voting and non-voting stock held by non-affiliates of the registrant as of December 31, 2025, the last business day of the registrant's most recently completed second fiscal quarter, was $27.6 billion based upon the closing price reported for such date on the Nasdaq Global Select Market.

As of August 7, 2026, there were 159,005,198 shares of the registrant's Class A Common Stock and 94,133,617 shares of the registrant's Class B Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to its 2026 Annual Meeting of Stockholders (the "Proxy Statement"), to be filed within 120 days of the registrant's fiscal year ended June 30, 2026, are incorporated by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. Except with respect to information specifically incorporated by reference in this Annual Report on Form 10-K, the Proxy Statement is not deemed to be filed as part of this Annual Report on Form 10-K.

ANNUAL REPORT
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INTRODUCTION

Our consolidated financial statements are presented in U.S. dollars. All references in this Annual Report on Form 10-K to "$," "U.S. $," "U.S. dollars" and "dollars" mean U.S. dollars, unless otherwise noted.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "aim," "seek," "could," "would," "intends," "target," "projects," "contemplates," "believes," "estimates," "forecast," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that articulate our expectations, strategy, plans or intentions. Forward-looking statements contained in this Annual Report on Form 10-K include, but are not limited to, statements about our Atlassian Cloud Platform, system of work, Teamwork Graph, current and planned offerings, product strategy, research and development plans, AI solutions, Atlassian Government Cloud and Atlassian Isolated Cloud, investments and expenses, customers, sales and marketing, seasonality, intellectual property, Atlassian Marketplace, Cloud and Data Center migrations, acquisitions, restructurings, macroeconomic environment, anticipated growth, market movements, market opportunity, regulatory changes and compliance, capital and liquidity needs, company culture, human capital management, legal proceedings, properties, competition, business plans, cybersecurity and data privacy, technology, including AI, and other key strategic areas, and our financial targets and financial measures. We caution you that the foregoing list may not contain all of the forward-looking statements made in this Annual Report on Form 10-K.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report on Form 10-K primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the "Risk Factors" section of Part I, Item 1A, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 and elsewhere in this Annual Report on Form 10-K, as well as those that may be updated in our future filings with the U.S. Securities and Exchange Commission (the "SEC"), including our Quarterly Reports on Form 10-Q to be filed by us in our fiscal year 2027, which runs from July 1, 2026 to June 30, 2027. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Annual Report on Form 10-K. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Annual Report on Form 10-K relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Annual Report on Form 10-K to reflect events or circumstances after the date of this Annual Report on Form 10-K or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, or investments.

PART I

ITEM 1. BUSINESS

Company Overview

Our mission is to unleash the potential of every team.

Atlassian's team collaboration software enables organizations to connect all teams through a system of work that unlocks productivity at scale.

Our deeply interconnected portfolio of apps, AI agents, and Collections, each with discrete value propositions, delivers solutions for software teams, IT operations and support teams, leadership and business teams. As an AI-first company, we have embedded AI capabilities across every surface of our platform, enabling organizations to orchestrate work effectively across both human and AI teammates. These apps, agents, and Collections are all built on the Atlassian Cloud Platform and data model: a common technology foundation that seamlessly connects teams, information, context, and workflows throughout an organization.



Since Atlassian was founded in Sydney, Australia in 2002, we've advanced our mission with a deep investment in product development to build innovative, high-value, and versatile apps that users love. Our software has been recognized as a leader in multiple markets and powers more than 350,000 customers worldwide. We serve organizations of all sizes, from small emerging companies to over 85% of the Fortune 500, across almost every industry, and in over 200 countries and territories.

Our product-led philosophy prioritizes delivering high-value, competitively priced software at high volume, enabling us to go to market in a unique and efficient way. We aim to grow our customer base, targeting small, medium, and large enterprises, and strategically expand our relationships with customers over time. To land new customers, we've engineered a frictionless flywheel with an emphasis on self-service, making it easy for customers to try and get value first and foremost and then virally expand within an organization. This allows our sales force to

focus primarily on expanding and deepening strategic relationships with our existing large enterprise customers, and also allows us to operate at an exceptional scale for an enterprise software company.

Our Strategy

System of Work

Our system of work is a philosophy of how organizations should work, connecting all teams to accelerate progress and maximize team impact by providing an AI-powered shared platform for managing workflows across the entire organization.

We deliver this system of work through a connected portfolio of apps, agents, and Collections with discrete value propositions, all built on the Atlassian platform. By connecting teams with these apps, agents, and Collections, the Atlassian system of work gives all teams the right foundations so they can align work to goals, plan and track work, coordinate workflows across departments, unleash knowledge across the organization, and, for our cloud customers, put AI at the center of how work gets done – enabling human and AI teammates to collaborate through a single, governed system of work.

Atlassian Cloud Platform

The Atlassian Cloud Platform underpins our cloud app portfolio, allowing us to provide unified experiences, standardized data, and common enterprise infrastructure across all apps, agents, and teams. It is designed to break down information silos with cross-product experiences and flexible integrations, and ensures that data remains secure, compliant, private, and available with enterprise-grade centralized admin visibility and controls. It enables modern and connected experiences across teams, tools, workflows, and data, including capabilities like AI, search, and automation. The comprehensive data model, or Teamwork Graph, unifies and standardizes data across Atlassian apps, third-party tools, and teams, providing the rich organizational context that powers AI agents and cross-product workflows.

Infrastructure

The infrastructure layer of the Atlassian Cloud Platform is purpose-built to meet the evolving needs of enterprise customers, delivering performance, scale, reliability, security, compliance, and privacy. It provides a secure, enterprise-grade foundation that supports large-scale environments, ensures data protection, and enables centralized administration and controls. This robust infrastructure allows Atlassian to continuously deliver new features, power AI workloads at scale, and maintain high standards for uptime and compliance across all cloud apps. The infrastructure layer includes our AI Gateway, which provides intelligent routing across multiple AI models designed to optimize performance, cost, and latency for different workloads, enabling us to deliver AI capabilities in a provider-agnostic, enterprise-grade manner.

Teamwork Graph

The Teamwork Graph layer of the Atlassian Cloud Platform is an intelligent, unified data layer that connects contextualized teamwork data across Atlassian and non-Atlassian tools. It maps relationships between goals, knowledge, teams, and work, providing fine-grain context to powerfully enrich cross-product experiences that accelerate, align, and optimize work across organizations.

This organizational context is a critical enabler for effective AI agents and automated workflows. As AI models become increasingly commoditized, the quality of the context they operate on determines the quality of their output. The Teamwork Graph provides AI agents, whether built by Atlassian, our users, our customers, or third parties, with the relationship-aware enterprise context they need to produce accurate, relevant, and actionable results. Unlike general-purpose data repositories, the Teamwork Graph captures how people, projects, goals, and decisions connect to one another within and across teams, giving agents the ability to traverse established relationships rather than discover them from scratch.

The Teamwork Graph is self-reinforcing: it grows richer with each workflow, integration, and interaction, including those from third-party agents that connect through open protocols such as the Model Context Protocol (“MCP”) and our command-line interface (“CLI”). This openness strengthens the graph, as external agents both consume and contribute organizational context, deepening the data layer with every interaction. The value of the Teamwork Graph compounds over time as customers add more workflows, data sources, and applications to their Atlassian environment.

Rovo

Rovo is Atlassian's AI offering, designed for teamwork rather than individual productivity alone. Powered by the Teamwork Graph, Rovo provides AI capabilities with the organizational context — the relationships between people, projects, goals, and knowledge — needed to deliver accurate, relevant, and actionable results across an enterprise's connected workflows. Rovo consists of four platform capabilities:

- **Rovo Search:** Enterprise search that delivers personalized, context-aware results from Atlassian and connected third-party data sources.
- **Rovo Chat:** A conversational AI interface that helps teams ask questions, get trusted answers grounded in organizational knowledge, and take action across workflows.
- **Rovo Agents:** Specialized AI teammates — available out-of-the-box or custom-built — that perform tasks, automate workflows, and collaborate alongside human teammates within governed systems.
- **Rovo Studio:** A unified environment for creating agents, automations, and apps with or without code.

Platform Apps

The platform app layer of the Atlassian Cloud Platform consists of a core set of apps – including Home, Teams, Goals, Projects, Administration, and Analytics – designed to connect, align, and supercharge every team across the organization. These apps provide a unified experience and are deeply integrated to leverage shared data and context across Atlassian and third-party applications. By building common services and functionality at the platform level, we can develop and introduce new apps faster, integrate them more seamlessly, and deliver better multi-product experiences to customers.

Our Product Strategy

We have developed and acquired a broad portfolio of interconnected apps that help all teams, large and small, to plan, track, and complete their work in a modern way that is coordinated, efficient, and innovative - the Atlassian system of work. While each of our apps provides distinct functionality to the teams they serve, they share certain core attributes:

- **AI at the Center -** We have embedded AI capabilities across every surface of our platform experience and every app, making Atlassian an AI-first platform so our customers can unlock consistent, AI-powered productivity enhancements across their Atlassian and connected third-party applications. Centralizing AI in our platform enables seamless collaboration, actionable insights, and smarter automation for customers across their entire organization, delivering higher value. Our AI capabilities are provider-agnostic, routing AI workloads across multiple models through our AI Gateway to optimize cost, performance, and latency for each task. With AI at the center, we can also rapidly deploy new features, leverage advancements in foundational models, and enhance performance so customers receive the most optimal experience and value. As AI capabilities mature, the Atlassian platform enables organizations to transition from managing work exclusively through human teams to orchestrating a blended workforce of human and AI teammates – with the context, governance, and coordination tools to do so effectively.
- **Built for All Teams -** Our apps are designed to help all teams work better together and achieve more. We design simple, versatile apps that drive collaborate, transparency, and coordination across a broad range of workflows and projects – from technical development teams to business functions such as HR, finance, marketing, and legal. We believe our apps can improve any process involving teams, multiple work streams, and deadlines. For example, Jira, which enables software teams to plan, build, and ship code, is also used by thousands of business teams to manage non-technical workflows such as product design, supply chain management, expense management, and legal document review. More than 50% of users across our core apps belong to business teams.
- **Easy to Adopt and Use -** We developed our apps to be both powerful, easy to use, and accessible from the internet so they can immediately be put to work. By reducing the friction that usually accompanies the software purchasing process and eliminating the need for complicated and costly implementation and training, we believe we attract more people to try, use, derive value from, and buy our software.
- **Integrated -** Our apps are integrated, which means they are interconnected and designed to accelerate work between teams. For example, a developer using Bitbucket can initiate a change request that automatically appears in Jira Service Management for IT Operations to review, with context about that change linked on a Confluence page, enabling teams to deploy fast while still managing risk. Or, a marketing leader can use Loom to turn their team's campaign brainstorm meeting into notes and action

items assigned on a Confluence page, which each owner can use to seamlessly create tasks requesting assets from a Product Design team in Jira, allowing teams to go from ideas to action quickly. A Rovo agent can be assigned a service ticket in Jira Service Management, draw on connected knowledge from Confluence to diagnose the issue, and resolve it autonomously – or a third-party coding agent can receive a development task in Jira, implement the changes, and submit them for review in Bitbucket, with the full activity captured alongside the team's work history. These same integration pathways extend to AI agents, which can participate in workflows alongside human teammates – for example, an agent assigned a task in Jira can draw on connected context from Confluence, Loom, and third-party tools to complete its work within the governed workflow.

- **Open and Extensible with a Vast Ecosystem -** We are dedicated to making our apps open and interoperable with a wide range of other platforms and applications that customers use, such as Microsoft, Zoom, Anthropic, Cursor, OpenAI, Salesforce, Workday, and Dropbox. Our open platform also supports more than 6,000 third-party apps and integrations available through the Atlassian Marketplace, as described further below.

We also offer multiple deployment options to meet a range of customer needs. Cloud is our primary commercial offering with a range of editions providing flexible plans, advanced administration, and robust security for most organizations. Atlassian Government Cloud is a dedicated environment designed for U.S. government agencies and contractors, meeting FedRAMP® Moderate compliance standards. Atlassian Isolated Cloud provides a single-tenant environment with dedicated compute, storage, and networking for enterprises with the strictest data protection and regulatory requirements, ensuring maximum data isolation and control. For existing customers, we also offer Data Center, a self-managed, enterprise-grade deployment option that allows customers to deploy and host Atlassian products on their own infrastructure. On September 8, 2025, we announced plans to end-of-life our Data Center products through a phased approach over a multi-year period. We are actively supporting customers through their transition to our cloud platform, where they can access the full benefits of AI, the Teamwork Graph, and continuous innovation.

Our Offerings

In recent years, we shifted from stand-alone products to a vision of apps, AI agents, and Collections. This shift represents a move from isolated, single-purpose software to integrated, modular solutions that can be adopted together through curated Collections built on the Atlassian Cloud Platform. This approach enables customers to start with the capabilities they need, expand into broader connected workflows over time, and adopt AI-driven collaboration through Collections that combine apps, agents, data, and platform services into cohesive solutions.

Apps

Our apps provide the building blocks for team collaboration and are packaged within Collections that align to customer outcomes. Apps are sold on a stand-alone basis or as part of our curated Collections. Key apps include Jira, Confluence, Loom, Jira Service Management, Rovo, Bitbucket, Compass, Jira Product Discovery, Focus, Talent, Trello, and Guard.

Agents

As AI-driven automation advances, organizations can deploy agents to perform routine and complex tasks alongside human teammates. Agents are AI-powered virtual teammates that automate tasks, solve problems, and assist decision-making by leveraging an enterprise's context and data. Their effectiveness depends on the quality and depth of organizational context; our Teamwork Graph provides agents with a relationship-aware understanding of people, projects, goals, and workflows to operate effectively across an enterprise. Agents are available out-of-the-box, custom-built with our no-code interface, or purchased from the Atlassian Marketplace to streamline workflows, generate content, and provide expert insights across business functions. Within our platform, agents receive tasks directly in Jira, collaborate through comments alongside human teammates, and participate in governed workflows with audit trails and permissions – enabling organizations to orchestrate human and AI teammates through a single system of work. By integrating with teams, agents allow AI and people to work side by side – amplifying expertise, accelerating decision-making, and enabling teams to focus on higher-value, creative, and strategic work.

As work volume and complexity increase – driven partly by AI-accelerated software creation and expanding workflows – the need for coordination across human and AI teammates grows. Our platform provides the

orchestration layer that enables organizations to manage this blended workforce, ensuring visibility, governance, and alignment across all work, whether performed by a person or an agent.

Collections

Collections are carefully curated sets of apps and agents built on the Atlassian Cloud Platform and designed to solve cross-functional customer workflows. Rather than requiring customers to evaluate and assemble individual products one at a time, Collections bring together the core apps, Rovo capabilities, shared data, administration, and platform services needed to deliver a cohesive outcome. They are intended to simplify adoption, increase connected usage across teams, and provide a clearer path for customers to expand from individual apps into broader systems of work. Our current Collections include:

- **Teamwork Collection**, which brings together Jira, Confluence, Loom, and Rovo in an integrated, AI-powered collaboration offering. Together, these products provide a common system of work for technology and business teams, helping customers plan and track work, align work to goals, communicate through async video, coordinate workflows across departments, and unlock organizational knowledge in a connected environment. Teamwork Collection also includes significantly higher pooled Rovo credit allowances than standalone Jira or Confluence subscriptions, giving customers more capacity to scale AI-assisted search, chat, agents, and cross-product workflows with greater predictability. By packaging these capabilities together, the Teamwork Collection enables customers to move from isolated team tools to an integrated collaboration layer for both human and AI teammates.
- **Service Collection,** which includes Jira Service Management, Customer Service Management, Assets, and Rovo, combines internal IT and employee service management with external customer support in a single AI-powered offering. It helps organizations intake, triage, and fulfill requests from employees and customers, detect and resolve incidents, track and manage assets, and use AI agents to deflect common questions and accelerate resolutions – delivering end-to-end service experiences across IT, HR, and customer support teams.
- **Strategy Collection,** which includes Jira Align, Focus, and Talent, is designed for enterprise leaders and decision-makers in technology-driven organizations to connect strategy, investment planning, and workforce planning in one system. It helps leaders define and communicate strategic priorities, align funding and teams to the highest-value outcomes, and provide clearer visibility into how work across the organization supports company objectives.
- **Software Collection,** which includes Rovo Dev, DX, Bitbucket, Pipelines, and Compass, brings together software planning, development, delivery, and operational workflows so engineering organizations can ship high-quality software faster with shared context across teams.
- **Product Collection,** which brings together Jira Product Discovery, Feedback, and Rovo capabilities for product teams, supports product teams from discovery through delivery by connecting customer insights, product prioritization, roadmaps, and execution in one coordinated system.
- **Jira,** a flexible project management platform for planning, tracking, and managing work across technical and business teams.
- **Confluence,** a connected workspace for creating, organizing, and sharing team knowledge, documents, and collaboration content.
- **Jira Service Management,** an intuitive service management solution for IT, HR, and other teams to deliver high-velocity support and manage service requests.

Our Technology, Infrastructure and Operations

Our products and technology infrastructure are designed to provide simple-to-use and versatile products with industry-standard security and data protection that scales to organizations of all sizes, from small teams to large organizations with thousands of users. Maintaining the security and integrity of our infrastructure is an important part of our business. As such, we leverage standard security and monitoring tools to ensure performance across our network.

The Atlassian Marketplace and Ecosystem

The Atlassian Marketplace is a hosted online marketplace for free and purchasable apps to enhance our products. The Atlassian Marketplace offers thousands of apps from a large and growing ecosystem of third-party vendors and developers.

We offer the Atlassian Marketplace to customers to simplify the discovery and purchase of add-on capabilities for our products. Additionally, it serves as a platform for third-party vendors and developers to more easily reach our customer base, while also streamlining license management and renewals.

Forge is our cloud app development platform designed to standardize how Atlassian cloud products are customized, extended, and integrated. Developers can rely on Forge's hosted infrastructure, storage, and function-as-a-service to build new cloud apps for themselves or for the Atlassian Marketplace.

Our Business Model

Research and Development

Our research and development organization is primarily responsible for the design, development, testing, and delivery of our platform, apps, and AI capabilities, including foundational AI infrastructure and agent integration across our product portfolio. It is also responsible for our customer services platforms, including billing and support, the Atlassian Marketplace, Forge platform, and certain marketing and sales systems that power our high-velocity, low-friction distribution model.

As of June 30, 2026, over 50% of our employees were involved in research and development activities. Our research and development organization consists of talented, agile, and dynamic teams that enable the delivery of rapid innovation to our customers. Research and development activities primarily include the development and release of new apps and AI agents, enhanced AI-powered functionality across existing apps, expanded cloud platform capabilities, including the Teamwork Graph, and the integration of the latest foundational AI models to deliver intelligent automation and insights to customers. Given our focus on customer value, we work closely with our customers to understand their needs, measure user satisfaction, and incorporate the feedback that matters most from our users into our development process.

We will continue to make significant investments in research and development, with a particular emphasis on AI capabilities, agent infrastructure, and platform intelligence, to deliver increasing value to customers.

Sales and Marketing

Our Distribution Model

Our go-to-market approach is driven by the strength and innovation of our platform, apps, and the market opportunity. Our model focuses on a land-and-expand strategy, with automated and low-touch customer service, superior product quality, and transparent pricing to land new customers and the initial expansion to new users and teams. This means lower customer acquisition costs and go-to-market expenses for new customers and initial expansions. In addition to our powerful flywheel motion, we have strategically grown our sales team to focus on expanding the relationships with our existing customers, particularly large enterprises.

For our flywheel motion, we primarily rely on word-of-mouth and low-touch demand generation to drive trial, adoption, and initial expansion of our apps. For our sales-led motion, we rely on a combination of field sales, solution sales, and a global network of channel partners to expand our presence within our enterprise customer base.

The following are key attributes of our unique business model that support our sales and marketing efforts:

- **Innovation- and data-driven -** Relative to other enterprise software companies, we invest significantly more in research and development relative to marketing and sales, focusing on product quality, AI capabilities, and platform developments that create organic customer demand. Our scale enables us to continuously test and refine every step of the customer journey, intelligently manage conversion and expansion, and tune our strategies for customer satisfaction and growth.
- **Scale-oriented -** Our apps drive mission-critical workflows within customers of all sizes, including enterprise customers. We offer enhanced capabilities in premium and enterprise editions of our apps, and we have strategically evolved our expansion sales motion to serve our largest customers while continuing to benefit from the data, network effects, and customer insights that emerge from serving customers at significant scale.

Sales

We land and initially expand with new customers primarily through our flywheel sales motion, leveraging our website as the primary forum for new customer engagement and support for thousands of commercial transactions daily. By focusing on an automated, easy-to-use web-based purchasing process, we enable customer self-service and data-driven targeting. This approach means we do not have to solely rely on a traditional, commissioned direct sales force until a customer reaches a specific size, thanks to the automation and efficiency built into our sales model.

We expand the relationships with our largest existing customers primarily through our direct sales force. Our sales team primarily focuses on customer-centric selling by understanding the unique needs, challenges, and goals of our existing enterprise customers. We expand these relationships by selling to more teams within an organization, selling additional Collections and apps to existing users, and upgrading customers to the higher-value editions or Collections of our cloud software.

We also have a global network of solution partners with unique expertise, services, and products that complement the Atlassian portfolio, such as deployment and customization services, localized purchasing assistance around currency, language, and specific in-country compliance requirements. We have sales programs and teams that focus on supporting our solution partners, tracking channel sales activity, supporting and servicing our largest customers by helping optimize their experience across our product portfolio, helping customers expand their use of our apps across their organizations, and helping evaluators learn how they can use our tools most effectively.

Marketing

Our marketing efforts focus on growing our brand, building broader awareness, and increasing demand for our apps and Collections, particularly with enterprise customers. We invest in brand and product promotion, demand generation through direct marketing and advertising, in-person customer events, strategic partnerships, industry analyst relations, and content development to help educate the market about the benefits of our apps. We also leverage insights gathered from our users and customers to improve our targeting and, ultimately, the return on investment from our marketing activities.

Seasonality

Our business experiences seasonal fluctuations due to customer buying patterns. We expect these patterns to become more pronounced as we continue to target large enterprise customers. Our revenue fluctuates quarterly and within our quarterly financial results. In general, a higher percentage of customer sales are executed in the second and fourth quarters of our fiscal year.

Our Competition

Our apps and Collections serve teams of all sizes and across nearly every industry.

Our competitors range from large technology vendors to new and emerging businesses in each of the markets we serve, including AI-native companies and emerging startups that leverage generative AI and large language models:

- **Software Teams -** Our competitors include large technology vendors and smaller companies that offer project management, collaboration, and developer tools, as well as AI-native development platforms.
- **Service Teams -** Our competitors range from cloud vendors targeting enterprise service management teams to legacy vendors that offer service desk solutions.
- **Business Teams -** Our competitors range from large technology vendors offering a suite of products, to smaller companies offering point solutions for team collaboration, and general-purpose AI assistants and agents that may perform functions overlapping with our offerings.

In most cases, due to the flexibility and breadth of our apps, we co-exist within our own customer base alongside many of our competitors' products.

The principal competitive factors in our markets include product capabilities, flexibility, total cost of ownership, ease of access and use, performance and scalability, integration, the ability to embed trusted AI across enterprise workflows, the depth and quality of organizational context available for AI-driven outcomes, customer satisfaction, and global reach. Industry analysts have recognized Atlassian as a leader in each of the markets our

apps and Collections serve. We believe our product strategy, AI capabilities, proprietary context layer, distribution model, and company culture allow us to compete favorably on all these factors.

Intellectual Property

We protect our intellectual property through a combination of trademarks, domain names, copyrights, trade secrets and patents, as well as contractual provisions and restrictions governing access to our proprietary technology.

We registered “Atlassian” as a trademark in the United States, Australia, the EU, Russia, China, Japan, Switzerland, Norway, Singapore, Israel, Korea, and Canada, as well as other jurisdictions. We have also registered or filed for trademark registration of product-related trademarks and logos in the United States, Australia, the EU, Brazil, Russia, India, and China, and certain other jurisdictions, and will pursue additional trademark registrations to the extent we believe it would be beneficial and cost effective.

As of June 30, 2026, we had 664 issued patents and have approximately 557 applications pending in the United States. We also have a number of patent applications pending before the European Patent Office. These patents and patent applications seek to protect proprietary inventions relevant to our business. We intend to pursue additional patent protection to the extent we believe it would be beneficial and cost effective.

We are the registered holder of a variety of domain names that include “Atlassian” and similar variations.

In addition to the protection provided by our registered intellectual property rights, we protect our intellectual property rights by imposing contractual obligations on third parties who develop or access our technology. We enter into confidentiality agreements with our employees, consultants, contractors, and business partners. Our employees, consultants and contractors are also subject to invention assignment agreements, pursuant to which we obtain rights to technology that they develop for us. We further protect our rights in our proprietary technology and intellectual property through restrictive license and service use provisions in both the general and product-specific terms of use on our website and in other business contracts.

Governmental Regulations

As a public company with global operations, we are subject to various federal, state, local, and foreign laws and regulations. These laws and regulations, which may differ among jurisdictions, include, among others, those related to financial and other disclosures, accounting standards, privacy and data protection, cybersecurity, intellectual property, AI technology, corporate governance, tax, environmental, government contracting, trade, antitrust, employment, import/export, and anti-corruption. Compliance with these laws and regulations may be onerous and could, individually or in the aggregate, increase our cost of doing business, or otherwise have an adverse effect on our business, reputation, financial condition, and operating results. For a further discussion of the risks associated with government regulations that may materially impact us, see “Risk Factors” included in Part I, Item 1A of this Annual Report on Form 10-K.

Human Capital Management

We believe our employees to be our greatest asset, and we strive to foster a collaborative, productive, and fun work environment. As of June 30, 2026, we had 13,301 full-time employees. We also engage temporary employees and consultants as needed to support our operations.

In order to support a talented, global, and distributed workforce that reflects our core values and enables us to drive positive value for our customers, we emphasize building and maintaining a strong culture. We also invest in people development and sustainability programs, in addition to our total rewards program, which includes competitive compensation and benefits and a distributed work approach. Our efforts have led to external recognition for our workplace and company.

Our Culture

Our company culture is exemplified by our core values. These values guide what we do, why we create, and who we hire.

	**Open company, no bullshit**	Openness is root level for us. Information is open internally by default and sharing is a first principle. And we understand that speaking your mind requires equal parts brains (what to say), thoughtfulness (when to say it), and caring (how it's said).
	**Play, as a team**	We spend a huge amount of our time at work. So the more that time doesn't feel like "work," the better. We can be serious, without taking ourselves too seriously. We strive to put what's right for the team first – whether in a meeting room or on a football pitch.
	**Build with heart and balance**	"Measure twice, cut once." Whether you're building a birdhouse or a business, this is good advice. Passion and urgency infuse everything we do, alongside the wisdom to consider options fully and with care. Then we make the cut, and we get to work.
	**Be the change you seek**	All Atlassians should have the courage and resourcefulness to spark change – to make better our products, our people, our place. Continuous improvement is a shared responsibility. Action is an independent one.
	**Don't #@!% the customer**	Customers are our lifeblood. Without happy customers, we're doomed. So considering the customer perspective - collectively, not just a handful - comes first.

We believe that our culture plays a key role in our ability to attract, retain, and develop a talented, global, and distributed workforce and our ability to drive customer value and achieve competitive differentiation.

Sustainability

Atlassian's sustainability strategy is focused on our impact on the planet, people, and customers. Atlassian has set science-based targets to achieve net zero emissions by 2040, invested in People programs, committed to respecting human rights, and laid out guiding principles, commitments, and practices for responsible technology.

We publish an annual Sustainability Report that details our sustainability progress, including information about our strategy, workforce, emissions data, human rights, sustainability governance practices, public policy efforts, and responsible technology approaches. Our Sustainability Report aligns to leading reporting frameworks including the Greenhouse Gas Protocol, the Taskforce on Climate-related Financial Disclosures and the Sustainability Accounting Standards Board. The latest Sustainability Report can be found in the Investor Relations section of our website, under the Sustainability tab. The contents of these materials, or the contents of those materials accessible through our website, are not incorporated into this Annual Report on Form 10-K.

Team Everyone

Our “Team Everyone” approach is designed to unleash the potential of every Atlassian by seeking to build a workplace where everyone belongs, is valued and can do their best work—together.

We believe in implementing a structural approach to mitigating bias and driving inclusion across how we hire, promote, and retain our people. Launched in 2022, Atlassian Employee Resource Groups (“ERGs”) play a vital role in our culture of inclusion, and over 10% of our employees now participate in one or more of our eight ERG communities. We also aim to embed bias mitigation across our hiring process, empower leaders with the training and support to build teams where members can thrive, and provide all employees with tools to support employee wellness.

Team Anywhere

We call our approach to distributed work “Team Anywhere.” The vast majority of our employees are offered the choice to work from their homes, our physical office locations, or any combination of the two, within 15 countries. We strive to use an evidence-based approach to create an effective and collaborative workforce, and as such, promote programs like intentionally planned in-person team gatherings in order to foster employee engagement and connectivity. We believe our Team Anywhere approach allows for a variety of benefits, including greater flexibility for our employees and broadening our talent pool beyond the urban hubs in which we have physical office locations.

Total Rewards

Atlassian aims to offer its employees competitive compensation and benefits packages, which are reviewed annually. Our employees are compensated through a combination of fixed and variable or incentive-based cash compensation. The majority of our employees are also awarded equity compensation in the form of restricted stock units.

We also offer a variety of benefits intended to support employees and their families and help employees engage with their local communities. These benefits vary by country and are designed to meet or exceed local laws and to be competitive in the regions in which we operate. Beyond standard benefits like paid time off and healthcare coverage, our employee benefits include paid parental leave, family formation assistance, flexible working arrangements, wellness reimbursements, mental well-being support, and learning and development resources.

Available Information

You can obtain copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other filings with the SEC, and all amendments to these filings, free of charge from our website at https://investors.atlassian.com/financials/sec-filings as soon as reasonably practicable after we file or furnish any of these reports with the SEC. The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

Atlassian has used, and will continue to use, its Investor Relations website at https://investors.atlassian.com as a means of making material information public and for complying with its disclosure obligations. Therefore, we encourage investors, the media, and others interested in Atlassian to review the information we make public in our Investor Relations website, as such information could be deemed to be material information.

Information on or that can be accessed through these websites is not part of this Annual Report on Form 10-K, and the website addresses included in this report are intended to be inactive textual references only.

ITEM 1A. RISK FACTORS

A description of the risks and uncertainties associated with our business is set forth below. You should carefully consider such risks and uncertainties, together with the other information contained in this Annual Report on Form 10-K, and in our other public filings. If any such risks and uncertainties actually occur, our business, financial condition or results of operations could differ materially from the plans, projections, and other forward-looking statements included elsewhere in this Annual Report on Form 10-K and in our other public filings. In addition, if any of the following risks and uncertainties, or if any other risks and uncertainties, actually occur, our business, financial condition, or results of operations could be harmed substantially.

Risk Factor Summary

Our business is subject to numerous risks and uncertainties, including those highlighted in this section titled "Risk Factors" and summarized below. We have various categories of risks, including risks related to our business and industry, risks related to information technology, intellectual property, data security and privacy, risks related to legal, regulatory, accounting, and tax matters, risks related to ownership of our Class A Common Stock, risks related to our indebtedness, and general risks, which are discussed more fully below. As a result, this risk factor summary does not contain all of the information that may be important to you, and you should read this risk factor summary together with the more detailed discussion of risks and uncertainties set forth following this summary, as well as elsewhere in this Annual Report on Form 10-K. These risks include, but are not limited to, the following:

- *Our historical rapid growth makes it difficult to evaluate our future prospects, and we may not be able to sustain our revenue growth rate or achieve long-term profitability in the future.*
- *The markets in which we participate are intensely competitive, and if we do not compete effectively, our business, results of operations, and financial condition could be harmed.*
- *Our AI offerings and investments may not be successful, which could adversely affect our business or financial results.*
- *We may encounter challenges as we continue to transition our business to focus on Cloud offerings.*
- *Our business depends on our customers renewing their subscriptions and purchasing additional licenses or subscriptions from us, and any decline in our customer retention or expansion could harm our future results of operations.*
- *If we are unable to develop or package new apps, agents and enhancements to our existing offerings that achieve market acceptance and that keep pace with technological developments, our business and results of operations could be harmed.*
- *We may encounter challenges as we develop our sales force and sales strategy.*
- *Our business model for our low-touch customers is based in part on a high volume of transactions and organic expansion. If this model is not effective, our business and results of operations could be harmed.*
- *If we are unable to develop and maintain successful relationships with our solution partners, our business, results of operations, and financial condition could be harmed.*
- *We invest significantly in research and development, and to the extent our research and development investments do not translate into new offerings or material enhancements to our current offerings, or if we do not use those investments efficiently, our business and results of operations would be harmed.*
- *If we fail to integrate our apps, agents, and products with a variety of operating systems, software applications, platforms and hardware that are developed by others, our products may become less marketable, less competitive, or obsolete and our results of operations could be harmed.*
- *Acquisitions, strategic investments or partnerships could disrupt our business, and we may be unable to integrate our acquisitions successfully or achieve the expected benefits of such transactions.*
- *If we cannot continue to expand the use of our offerings beyond our initial focus on software developers, our ability to grow our business could be harmed.*
- *If our security controls are compromised, leading to unauthorized or inappropriate access to customer data, our products could be perceived as insecure, and such perception may result in the loss of existing customers, hinder our ability to attract new ones, and expose us to significant liabilities.*
- *Interruptions or performance problems associated with our technology and infrastructure could harm our business and results of operations.*
- *Real or perceived errors, failures, vulnerabilities, or bugs in our offerings or in the apps on Atlassian Marketplace could harm our business and results of operations.*
- *Privacy concerns and laws as well as evolving regulation of cloud computing, AI products and services, cross-border data transfers and other domestic or foreign regulations may limit the use and adoption of our services and adversely affect our business and results of operation.*
- *Our quarterly results have fluctuated in the past and may fluctuate significantly in the future and may not fully reflect the underlying performance of our business.*
- *We recognize certain revenue streams over the term of our subscription contracts. Consequently, downturns in new sales may not be immediately reflected in our results of operations and may be difficult to discern.*
- *Seasonality may cause fluctuations in our revenue.*
- *Our development and use of AI technologies may expose us to operational, legal, regulatory, reputational and other risks that may adversely affect our business.*

- *The dual class structure of our common stock has the effect of concentrating voting control with our Co-Founders and their affiliates, which will limit our other stockholders' ability to influence the outcome of important transactions, including a change in control.*
- *Our amended and restated certificate of incorporation and amended and restated bylaws provide for an exclusive forum in the Court of Chancery of the State of Delaware for certain disputes between us and our stockholders, and that the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act.*
- *Global economic and political conditions, including macroeconomic and political events, have had, and may continue to have, an adverse impact on our business, results of operations and financial condition.*

Risks Related to Our Business and Industry

Our historical rapid growth makes it difficult to evaluate our future prospects, and we may not be able to sustain our revenue growth rate or achieve long-term profitability in the future.

We have experienced rapid growth in recent years and our historical growth rate should not be considered indicative of our future performance and may decline in the future. This rapid growth also makes it more challenging to evaluate our future prospects. Our revenue growth rate has fluctuated in prior periods and, in future periods, our revenue could grow more slowly than it has in the past or decline for a number of reasons, including any reduction in demand for our apps, agents and platforms; increase in competition; challenges relating to collecting accounts receivable or collection periods; seasonality in the timing of our sales; the duration of our sales contracts; limitations on our ability to, or any decision not to, increase pricing; challenges, accounting impacts, or trends associated with the migration to our Cloud offerings; failure to capitalize on growth opportunities; contraction in our overall market; or impact from broader macroeconomic factors. We make assumptions regarding the risks and uncertainties associated with our growth as we plan and operate our business. If our assumptions are incorrect or change, or if we do not address risks successfully, our operating and financial results could differ materially from our expectations, our growth rates may slow, and our business would suffer.

In addition, we expect our expenses to continue to increase in the near term, particularly as we continue to make investments in research and development and technology infrastructure for our Cloud offerings, expand our operations globally, expand our sales infrastructure, and develop new apps, agents and features for, and enhancements of, our existing apps and agents, including our AI offerings. As a result of these significant investments, and in particular stock-based compensation associated with our growth, we have not consistently achieved profitability as determined under U.S. generally accepted accounting principles ("GAAP"). The additional expenses we will incur may not lead to sufficient additional revenue to maintain historical revenue growth rates and achieve long-term profitability.

The markets in which we participate are intensely competitive, and if we do not compete effectively, our business, results of operations, and financial condition could be harmed.

The markets for our solutions are fragmented, rapidly evolving, highly competitive, and have relatively low barriers to entry. We face competition from a wide range of companies in each of the markets we serve, including from both large technology vendors and smaller companies that offer project management, collaboration, and developer tools; both cloud vendors targeting enterprise service management teams and legacy vendors that offer service desk solutions; and both large technology vendors that offer a suite of products and smaller companies offering point solutions for team collaboration. We also face competition from AI-native companies and emerging startups that leverage generative AI and large language models as the core foundation of their architecture, offering highly specialized, autonomous, or automated solutions that may bypass traditional business process workflows or displace established user interfaces. Some of our competitors have also made acquisitions to offer a more comprehensive product or service offering, which may allow them to compete more effectively with our offerings. We expect this trend to continue as companies attempt to strengthen or maintain their market positions in an evolving industry. Following such consolidations, companies may create more compelling product offerings and be able to offer more attractive pricing options, making it more difficult for us to compete effectively.

Many of our current and potential competitors have greater resources than we do, with established marketing relationships, larger enterprise sales forces, access to larger customer bases, pre-existing customer relationships, and major distribution agreements with consultants, system integrators, and resellers. Our competitors, particularly our competitors with greater financial and operating resources, may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or customer requirements. With the adoption of new technologies, including AI, the evolution of our apps, agents, and Collections, and new market entrants, we expect competition to intensify in the future. For example, our competitors may develop more effective

AI products, more successfully incorporate AI into their offerings and sales strategy, gain or leverage superior access to certain AI technologies, or achieve higher market acceptance of their AI solutions. In addition, as we continue to expand our focus into new use cases or other offerings beyond software development teams, we expect competition to increase. Pricing pressures and increased competition generally could result in reduced sales, reduced margins, losses, or the failure of our offerings to achieve or maintain more widespread market acceptance, any of which could harm our business, results of operations, and financial condition. Additionally, some current and potential customers have elected, and more may in the future elect, to develop or acquire their own internal collaboration and productivity software tools, including useing AI-assisted development tools or environments, that would reduce or eliminate the demand for our solutions.

Our offerings seek to serve multiple markets, and we are subject to competition from a wide and varied field of competitors. Some competitors, particularly new and emerging companies with sizeable venture capital investment, could focus all their energy and resources on one product line or use case and, as a result, any one competitor could develop a more successful product or service in a particular market we serve which could decrease our market share in that market and harm our brand recognition and results of operations. For all of these reasons and others we cannot anticipate today, we may not be able to compete successfully against our current and future competitors, which could harm our business, results of operations, and financial condition.

Our AI offerings and investments may not be successful, which could adversely affect our business or financial results.

We are investing in AI across the company and increasingly building out our AI-powered offerings, including apps, agents, and features like our Rovo platform apps. We expect AI apps, agents and features, both those we develop and those developed by third parties, to continue to be important to our offerings and our operations over time, but there can be no assurances that we will effectively develop, implement or market AI agents and features or that we will realize the desired or anticipated benefits from AI. We bear significant development and operational costs in building and supporting our AI tools and offerings, and expect these investments to continue to negatively impact our operating margins in the near term. Developing, maintaining, and deploying these technologies involves substantial risks, and we cannot guarantee that they will improve our offerings or provide benefits to our customers or business. As our business and offerings evolve to incorporate additional AI capabilities, we may be unable to effectively monetize our AI offerings or determine new methods for capitalizing on these opportunities. For example, we have made Rovo available at no additional cost to our premium, enterprise, and standard edition customers across Jira, Confluence, Jira Service Management, and Teamwork Collection. If strategies like this are not successful in helping us win new customers and retain and expand within existing customers, we may not be able to offset the investments we have made in these technologies, which would adversely impact our results of operations and financial condition.

Additionally, AI technology and services is a highly competitive and rapidly evolving market. Our competitors or other third parties may incorporate AI into their products and offerings more quickly or more successfully than we can. Our ability to compete in this space will also depend in part on our ability to attract and retain employees with AI expertise. We also rely on certain third-party AI models, products, and integration providers. Such providers may be prohibited from offering certain models or technologies in jurisdictions in which we operate, may terminate their relationships with us, or otherwise cease to make certain models or technologies available to us, or may make certain models or technologies more expensive for us to use. Additionally, it is possible that an increased prevalence of AI may impact the work practices of software teams, IT operations and support teams, leadership, and business teams, and therefore our market opportunity. Any of the foregoing could adversely affect our business, reputation, or financial results.

We may encounter challenges as we continue to transition our business to focus on Cloud offerings.

While a substantial majority of our business was historically generated from customers using Server products, which are no longer available, and Data Center products, over time, our Cloud offerings have become more central to our distribution model, and this trend will continue in the future. To support this transition, we have directed a significant portion of our financial and operating resources to implement robust Cloud offerings and to migrate our existing customers to our Cloud offerings, which impact our results of operations, revenue recognition practices, and financial condition. For example, due to the higher fees associated with hosting our Cloud infrastructure, we have seen and expect to continue to see increased expenses and lower margins as customers transition to Cloud. Our

strategy to provide our AI tools at no or low cost to the majority of our Cloud customers may further increase our hosting costs without corresponding revenue increases.

In September 2025, we announced plans to end-of-life our Data Center offering via our Atlassian Ascend initiative. As of March 2026, we no longer sell Data Center products to new customers, and we will stop selling term licenses and expansions to existing customers in March 2028. Subject to limited exceptions, we plan to end maintenance and support for these Data Center versions of our products in March 2029. If we are unable to offer the systems, security capabilities, or controls our Data Center customers require to migrate to our Cloud offerings, or if our customers otherwise choose not to migrate, our revenue growth and profitability will be negatively impacted. The Atlassian Ascend initiative may impact purchasing patterns among our Data Center customers in ways that create fluctuations in our quarterly financial results and impact the guidance we issue, including decisions regarding sizes of Data Center product renewals, expansions, timing of Cloud upgrades or decisions not to renew or upgrade. When we transitioned customers away from using our Server products, we offered discounts to certain of our enterprise-level Server customers as an incentive, which impacted our near-term revenue growth, and we will offer similar incentives in connection with Atlassian Ascend. Additionally, we may also be subject to additional competitive and pricing pressures for our Cloud offerings compared to our Data Center offerings, which could harm our business. Revenues recognized from our Cloud offerings are also typically lower in the initial year compared to our Data Center offerings, which may impact our near-term revenue growth rates and margins.

Our business depends on our customers renewing their subscriptions and purchasing additional licenses or subscriptions from us, and any decline in our customer retention or expansion could harm our future results of operations.

In order for us to maintain or improve our results of operations, it is important that our customers renew their licenses or subscriptions when existing contract terms expire and that we expand our commercial relationships with our existing customers. Our customers have no obligation to renew their licenses or subscriptions, and our customers may not renew licenses or subscriptions with a similar contract duration or with the same or greater number of users. The majority of our customer base is on annual or monthly terms. Some of our customers have elected not to renew their agreements with us in the past, and it is difficult to accurately predict long-term customer retention.

Our customer retention and expansion may decline or fluctuate as a result of a number of factors, including but not limited to our customers' satisfaction with our offerings, releases, support and pricing, customer awareness and adoption of the benefits and features of our offerings, changes to the packaging of our product offerings (including our purchasable Collections and the product packaging and pricing of our AI offerings), our increased focus on our Cloud offerings, competing software products and new market entrants, our customers' ability to continue their operations and spending levels, mergers and acquisitions affecting our customer base, or the effects of global economic conditions on us or our customers, partners and suppliers. Additionally, we may be unable to timely address any retention issues with specific customers, which could harm our results of operations. If our customers do not purchase additional licenses or renew their subscriptions, renew on less favorable terms, or fail to add more users, our revenue may decline or grow less quickly, which could harm our future results of operations and prospects.

If we are unable to develop or package new apps, agents and enhancements to our existing offerings that achieve market acceptance and that keep pace with technological developments, our business and results of operations could be harmed.

Our ability to attract new customers and retain and increase revenue from existing customers depends in large part on our ability to enhance and improve our existing offerings, to introduce and package compelling new apps or agents that reflect the changing nature of our markets, and to capitalize our apps, agents, and services, particularly our AI offerings, in new ways. The success of any enhancement to our offerings depends on several factors, including timely completion and delivery, competitive pricing, adequate quality testing, integration with existing technologies and our platform, and overall market acceptance. Any new apps or agents that we develop may not be introduced in a timely or cost-effective manner, may contain bugs or other defects, or may not achieve the market acceptance necessary to generate significant revenue.

The markets for our offerings are subject to rapid technological change, evolving industry standards, and changing regulations, as well as changing customer needs, requirements, and preferences. These are all uncertain and we cannot predict the consequences, effects, or introduction of new, disruptive, emerging technologies or the manner and pace at which our markets develop over time, and our ability to compete in these markets depends on predicting and adapting to these changing circumstances. The success of our business will depend, in part, on our

ability to adapt and respond effectively to these changes on a timely basis, and anticipating these factors requires that we allocate significant resources without any guarantee that any such investments and efforts will result in initial or enhanced adoption of our offerings in the marketplace. For example, with the development of next-generation solutions, including AI solutions, we have committed and expect to continue to commit significant resources to developing new AI apps and agents and other enhancements incorporating AI, and there is no guarantee that our investments and efforts will result in wider adoption of our offerings in the marketplace. If new technologies emerge that can deliver competitive products and services at lower prices, more efficiently, more reliably, more conveniently, or more securely, or if new products are introduced into the market that could render any of our existing offerings obsolete, such technologies and products could adversely impact our ability to compete effectively and may lead to customers reducing or terminating their usage of our offerings.

If we are unable to successfully develop new apps and agents, enhance our existing offerings to meet customer requirements, or otherwise gain market acceptance, our business, results of operations, and financial condition could be harmed.

We may encounter challenges as we develop our sales force and sales strategy.

In recent years, we have focused on growing our sales force to sell directly to large and enterprise customers. As our sales force continues to develop, we may encounter challenges in identifying, recruiting, training, and retaining a qualified sales force, and we expect this growth to require significant time, expense, and attention. Expanding our sales infrastructure also has impacts on our cost structure and results of operations, and we may have to reduce other expenses, such as our research and development expenses, in order to accommodate a corresponding increase in marketing and sales expenses while maintaining positive free cash flow.

As our enterprise sales motion grows, we face increased costs, longer sales cycles, greater competition, and less predictability in completing our sales. Since the sales cycles for our enterprise offerings are multi-phased and complex, it can be unpredictable when a given sales cycle will close. For enterprise customers, the evaluation process may be longer and more involved, and require us to invest more in educating our customers about our apps, agents, Collections, services, and solutions, particularly because the decision to use our offerings is often an enterprise-wide decision. We may be required to submit more robust proposals, participate in extended proof-of-concept evaluation cycles, and engage in more extensive contract negotiations. In addition, our enterprise customers often demand more complex configurations and additional integration services and product features. Adverse macroeconomic conditions have in the past, and may in the future, cause delays in our enterprise customers' purchasing decisions. Due to these factors, we often must devote greater sales support to certain potential enterprise customers, which increases our costs and time required, without assurance that potential customers will ultimately purchase our solutions. We also may be required to devote more resources to implementation, which increases our costs, without assurance that customers receiving these services will renew at the same level or at all. Additionally, our revenue from enterprise customers may be affected by seasonality in sales cycles, extended collection cycles, potential deferral of revenue, and alternative licensing arrangements. We expect to see these impacts increase as we grow our enterprise sales motion. An increase in enterprise sales contracts could also increase our number of or mix of multi-year sales contracts, which can also have an impact on our revenue cycles.

Additionally, our existing and future pricing and packaging strategies for enterprise and other customers for our existing and future service offerings may not be accepted by customers. For example, we offer certain apps and agents in purchasable Collections and we have limited experience with determining the optimal pricing and terms for such packaging. Our adoption of, or failure to adopt, changes to our pricing and packaging strategies, as well as the timing and manner of such changes, may harm our business, results of operations and financial condition.

Our business model for our low-touch customers is based in part on a high volume of transactions and organic expansion. If this model is not effective, our business and results of operations could be harmed.

Our business model for low-touch customers is based in part on attracting a high volume of customers through free trials, limited free versions, and affordable starter licenses. For example, we have traditionally offered entry-level or free pricing for certain offerings to small teams at a price that typically does not require capital budget approval and that is orders-of-magnitude less than the price of traditional enterprise software. This approach is intended to drive trial, adoption, and initial expansion organically within organizations, through low-touch customer service, high product quality, and transparent pricing arrangements. However, if users do not perceive sufficient value in upgrading from free or entry-level offerings or if users do not become, or influence others to become, paying customers, we may not realize the intended benefits of this strategy. Any decrease in our customers' satisfaction with our offerings, either as a result of our own actions or due to factors outside of our control, could

also harm word-of-mouth referrals and our brand. Historically, a majority of users do not convert from free trials or limited free versions to paid apps or products, and our strategy also relies on these users influencing broader adoption within their organizations. Additionally, we have historically increased and will continue to increase prices from time to time, which may also hurt the efficacy of this strategy.

Our ability to compete may be adversely affected as competitors introduce lower-cost or free alternatives, making it more difficult to acquire new customers. Some customers may also view our offerings as discretionary purchases, which can reduce demand, especially during periods of economic uncertainty. If we are unable to sell our offerings in high volume, or if our free trial and affordable pricing strategies do not result in sufficient conversion to paid customers, our business, results of operations, and financial condition could be harmed.

If we are unable to develop and maintain successful relationships with our solution partners, our business, results of operations, and financial condition could be harmed.

We have established relationships with certain solution partners to distribute our products. We believe that continued growth in our business is dependent upon identifying, developing, and maintaining strategic relationships with our existing and potential solution partners that can drive substantial revenue and provide additional value-added services to our customers. For fiscal year 2026, we derived over 50% of our revenue from channel partners' sales efforts.

Successfully managing our indirect channel distribution efforts is a complex process across the broad range of geographies where we do business or plan to do business. If any solution partners fail to pay us under the terms of our agreements, including any delays in payment, or we are otherwise unable to collect on our accounts receivable from these solution partners, we may be adversely affected both from the inability to collect amounts due and the cost of enforcing the terms of our contracts, including litigation. Additionally, our solution partners are independent businesses we do not control. Notwithstanding this independence, we still face legal risk and reputational harm from the activities of our solution partners, including, but not limited to, export control violations, workplace conditions, corruption, and anti-competitive behavior.

Our agreements with our existing solution partners are non-exclusive, meaning they may offer customers the products of several different companies, including products that compete with ours. They may also cease marketing our offerings with limited or no notice and with little or no penalty. We expect that any additional solution partnerships we identify and develop in the future will be similarly non-exclusive and unbound by any requirement to continue to market our offerings. If we fail to identify additional solution partners in a timely and cost-effective manner, or at all, or are unable to assist our current and future solution partners in independently distributing and deploying our offerings, our business, results of operations, and financial condition could be harmed. If our solution partners do not effectively market and sell our offerings or fail to meet the needs of our customers, our reputation and ability to grow our business could also be harmed.

Any failure to offer high-quality product support could harm our relationships with our customers and our business, results of operations, and financial condition.

In deploying and using our apps, agents and products, our customers depend on our product support teams to resolve complex technical and operational issues. We may be unable to respond quickly enough to accommodate short-term increases in customer demand for product support. We may also be unable to modify the nature, scope, and delivery of our product support to compete with changes in product support services provided by our competitors. Increased customer demand for product support, without corresponding revenue, could increase costs and harm our results of operations. In addition, as we continue to grow our operations and reach a global and vast customer base, we need to be able to provide efficient product support that meets our customers' needs globally at scale. The number of our customers has grown significantly, and that has put additional pressure on our product support function. End customers may also reach out to us requesting support for third-party apps sold on the Atlassian Marketplace. To supplement our customer support teams, we have relied in the past, and will continue to rely on third-party vendors to fulfill requests to resolve common or frequently asked questions for Atlassian offerings. If we are unable to provide efficient product support globally at scale, including through the use of third-party vendors and self-service support, our ability to grow our operations could be harmed and we may need to hire additional support personnel, which could harm our results of operations. Certain of our customers have in the past experienced outages across their use of our apps, agents and products and it is possible that similar incidents may occur in the future. Our sales are highly dependent on our business reputation and on positive recommendations from our existing customers. Any failure to maintain high-quality product support, or a market perception that we do not maintain high-quality product support, could harm our reputation, our ability to sell our apps, agents, and products to existing and prospective customers, and our business, results of operations and financial condition.

We invest significantly in research and development, and to the extent our research and development investments do not translate into new offerings or material enhancements to our current offerings, or if we do not use those investments efficiently, our business and results of operations would be harmed.

A key element of our strategy is to invest significantly in our research and development efforts to develop new offerings and enhance our existing offerings to address additional applications and markets. In fiscal years 2026 and 2025, our research and development expenses were 50% and 51% of our revenue, respectively. If we do not spend our research and development budget efficiently or effectively on compelling innovation and technologies, our business could be harmed and we may not realize the expected benefits of our strategy. Moreover, research and development projects can be technically challenging and expensive. The nature of these research and development cycles may cause us to experience delays between the time we incur expenses associated with research and development and the time we are able to offer compelling apps or agents and generate revenue, if any, from such investment. Additionally, anticipated customer demand for an offering we are developing could decrease after the development cycle has commenced, and we would nonetheless be unable to avoid substantial costs associated with the development of any such offering. If we expend a significant amount of resources on research and development and our efforts do not lead to the successful introduction or improvement of offerings that are competitive in our current or future markets, it could harm our business and results of operations.

If we fail to integrate our apps, agents, and products with a variety of operating systems, software applications, platforms and hardware that are developed by others, our products may become less marketable, less competitive, or obsolete and our results of operations could be harmed.

Our apps, agents and products must integrate with a variety of network, hardware, and software platforms, and we need to continuously modify and enhance our apps, agents, and products to adapt to changes in hardware, software, networking, browser, and database technologies. In particular, we have developed our apps, agents, and products to be able to easily integrate with third-party applications, including the applications of software providers that compete with us, through the interaction of application programming interfaces (“APIs”), model context protocol (“MCP”), and connectors. In general, we rely on the fact that the providers of such software systems continue to allow us access to these tools to enable these customer integrations. To date, we have not relied on long-term written contracts to govern our relationship with these providers. Instead, we are subject to the standard terms and conditions for application developers of such providers, which govern the distribution, operation, and fees of such software systems, and which are subject to change by such providers. From time to time, certain providers may claim we have failed to meet these standard terms and conditions. Our business could also be harmed if any provider:

- discontinues or limits our access to its APIs or connectors, due to a claim of breach of terms and conditions or for any other reason;
- modifies its terms of service or other policies, including fees charged to, or other restrictions on us or other application developers;
- changes how customer information is accessed by us or our customers;
- establishes more favorable relationships with one or more of our competitors; or
- develops or otherwise favors its own competitive offerings over ours.

We may also be subject to privacy risks in connection with the third-party data we collect and process through these tools and, in some instances, customers may find our administrative controls for such data use inadequate. As with any data processing, there are privacy considerations for the data we collect and process from third-party sources, and customers may seek more controls in our products around third-party integrations. We believe a significant component of our value proposition to customers is the ability to optimize and configure our apps, agents, and products with these third-party applications. If we are not permitted or able to integrate with these and other third-party applications in the future, demand for our offerings could decline and our business and results of operations could be harmed.

In addition, an increasing number of organizations and individuals within organizations are utilizing mobile devices to access the internet and corporate resources and to conduct business. We have designed and continue to design mobile applications to provide access to our apps, agents, and products through these devices. If we cannot provide effective functionality through these mobile applications as required by organizations and individuals that widely use mobile devices, we may experience difficulty attracting and retaining customers. Failure of our apps, agents, and products to operate effectively with future infrastructure platforms and technologies could also reduce the demand for our offerings, resulting in customer dissatisfaction and harm to our business. If we are unable to

respond to changes in a cost-effective manner, our apps, agents, and products may become less marketable, less competitive, or obsolete and our results of operations could be harmed.

We derive a majority of our revenue from Jira, Confluence, and Jira Service Management.

We derive a majority of our revenue from Jira, Confluence, and Jira Service Management. As such, the market acceptance of these apps and products is critical to our success. Demand for these and our other offerings is affected by a number of factors, many of which are beyond our control, such as continued market acceptance of our offerings by customers for existing and new use cases, the timing of development and release of new apps, products, features, functionality, and lower cost alternatives introduced by our competitors, technological changes and developments within the markets we serve, and growth or contraction in our addressable markets. If we are unable to continue to meet customer demands or to achieve more widespread market acceptance of our offerings, our business, results of operations, and financial condition could be harmed.

Acquisitions, strategic investments or partnerships could disrupt our business, and we may be unable to integrate our acquisitions successfully or achieve the expected benefits of such transactions.

As part of our business strategy, we have completed a number of acquisitions and strategic investments in other companies, products and technologies, and continue to evaluate additional strategic transactions. Any acquisition, investment or business relationship may result in unforeseen operating challenges and expenditures. In particular, we have and may encounter difficulties assimilating or integrating the businesses, technologies, products, personnel, or operations of the acquired companies, particularly if we fail to retain their key employees. An acquired company's products or services may not easily adapt to work with our offerings and transitioning the acquired technology onto our existing platforms may be difficult or result in integration delays. We may also have difficulty retaining suppliers, partners and customers of acquired companies. Our due diligence may also fail to reveal all material liabilities, shortcomings or challenges of an acquired business, including issues relating to intellectual property, litigation, employees or company culture, customers, product quality or architecture, regulatory compliance practices or tax and accounting practices. We may also be exposed to identified or unknown risks or liabilities stemming from acquisitions, including those relating to data security, vulnerabilities in cybersecurity, data privacy obligations, or breaches.

Acquisitions may also disrupt our business, divert our resources, and require significant management attention that would otherwise be available for the development of our existing business. We may not successfully utilize the acquired technology or personnel, or accurately forecast the financial impact of an acquisition transaction, including accounting charges. Investments involve numerous risks, including the impairment of our investments or the possibility our investees will be unable to obtain future funding on favorable terms or at all. Moreover, the anticipated benefits of any acquisition, investment, or business relationship may not be realized.

In the future, we may not be able to find suitable acquisition or strategic investment candidates, and we may not be able to complete such transactions on favorable terms, or at all. Any future acquisitions or strategic investments we complete could be viewed negatively by users, customers, developers, or investors. Negotiating these transactions can be time consuming, difficult, and expensive, and our ability to complete these transactions may often be subject to approvals that are beyond our control. Consequently, these transactions, even if announced, may not be completed. For one or more of those transactions, we may:

- issue additional equity securities that would dilute our existing stockholders and impact our results of operations;
- use cash that we may need in the future to operate our business;
- incur large charges, expenses, or substantial liabilities;
- incur debt on terms unfavorable to us or that we are unable to repay; or
- become subject to adverse tax consequences, substantial depreciation, impairment, or deferred compensation charges.

If we cannot continue to expand the use of our offerings beyond our initial focus on software developers, our ability to grow our business could be harmed.

Our ability to grow our business depends in part on our ability to persuade current and future customers to expand their use of our offerings to additional use cases beyond software developers, including information technology and business teams. If we fail to predict customer demands or achieve further market acceptance of our

offerings within these additional areas and teams, or if a competitor establishes a more widely adopted product for these applications, our ability to grow our business could be harmed.

Our corporate values have contributed to our success, and if we cannot maintain these values as we grow, we could lose the innovative approach, creativity, and teamwork fostered by our values, and our business could be harmed.

We believe that a critical contributor to our success has been our corporate values, which we believe foster innovation, teamwork, and an emphasis on customer-focused results. In addition, we believe that our values create an environment that drives and perpetuates our product strategy and low-cost distribution approach. As we undergo growth in our customers and employee base and maintain a remote-first "Team Anywhere" work environment, we may find it difficult to maintain our corporate values. Any failure to preserve our values could harm our future success, including our ability to retain and recruit personnel, innovate and operate effectively, and execute on our business strategy.

If we are not able to maintain and enhance our brand, our business, results of operations, and financial condition could be harmed.

We believe that maintaining and enhancing our reputation as a differentiated and category-defining company is critical to our relationships with our existing customers and to our ability to attract new customers. The successful promotion of our brand attributes will depend on a number of factors, including our and our solution partners' marketing efforts, our ability to continue to develop high-quality products, our ability to minimize and respond to errors, failures, outages, vulnerabilities, or bugs, and our ability to successfully differentiate our products from competitive products. In addition, independent industry analysts often provide analyses of our products, as well as the products offered by our competitors, and the perception of the relative value of our products in the marketplace may be significantly influenced by these analyses. If these analyses are negative or less positive as compared to those of our competitors' products, our brand may be harmed.

Our reputation could also be adversely impacted by, among other things, any failure or perceived failure in our social and environmental practices, public pressure from investors or policy groups to change our policies, or customer perceptions of our marketing efforts, sponsorship arrangements, social media or any statements made by us, our executives and employees, agents or other third parties. Our sponsorship relationships and partnerships may also subject us to negative publicity as a result of any actual or alleged conduct by, or consumers' perceptions of, our partners or individuals and entities associated with such organizations, which could have an adverse effect on our reputation and brand.

Our sponsorship relationships and partnerships and the general promotion of our brand requires us to make substantial expenditures. We anticipate that these expenditures will increase as our market becomes more competitive, as we expand into new markets, and as more sales are generated through our solution partners. To the extent that these activities yield increased revenue, this revenue may not offset the increased expenses we incur. If we do not successfully maintain and enhance our brand, our business may not grow, we may have reduced pricing power relative to competitors, and we could lose customers or fail to attract new customers, any of which could harm our business, results of operations, and financial condition.

If we fail to effectively manage our growth, our business and results of operations could be harmed.

We have experienced rapid growth, both in terms of employee headcount and number of customers, which has placed, and may continue to place, significant demands on our management, operational, and financial resources. We operate globally and sell our offerings to customers in over 200 countries and territories. Further, we have employees in Australia, Canada, France, Germany, India, Japan, the Netherlands, New Zealand, the Philippines, Poland, Singapore, South Korea, Turkey, the U.S., and the United Kingdom (the "UK"), and many of our employees have been with us for relatively short tenures. We plan to continue to invest in our team and to expand our operations into other countries in the future, which will place additional demands on our resources and operations. As our business expands across numerous jurisdictions, we may experience difficulties, including in hiring, training, and managing a diffuse employee base.

We have also experienced significant growth in the number of customers, users, transactions, and data that our offerings and our associated infrastructure support. If we fail to successfully manage our anticipated growth, the quality of our offerings may suffer, which could negatively affect our brand and reputation and harm our ability to retain and attract customers. Finally, our organizational structure is becoming more complex and if we fail to scale and adapt our operational, financial, and management controls and systems, as well as our reporting systems and procedures, to manage this complexity, our business, results of operations, and financial condition could be harmed.

We will require significant capital expenditures and the allocation of management resources to grow and adapt in these areas.

If the Atlassian Marketplace does not continue to be successful, our business and results of operations could be harmed.

We operate the Atlassian Marketplace, an online marketplace, for selling third-party, as well as Atlassian-built, apps. We rely on the Atlassian Marketplace to supplement our promotional efforts and build awareness of our offerings, and we believe that third-party apps from the Atlassian Marketplace facilitate greater usage and customization of our offerings. If we do not continue to add new vendors and developers, are unable to sufficiently grow the number of cloud apps our customers demand, or our existing vendors and developers stop developing or supporting the apps that they sell on the Atlassian Marketplace, our business could be harmed.

In addition, third-party apps on the Atlassian Marketplace may not meet the same quality standards that we apply to our own development efforts and, in the past, third-party apps have caused disruptions affecting multiple customers. To the extent these apps contain bugs, vulnerabilities, or defects, such apps have in the past and may in the future create disruptions in our customers' use of our products, lead to data loss or unauthorized access to customer data, damage our brand and reputation, and affect the continued use of our products, which could harm our business, results of operations and financial condition.

Risks Related to Information Technology, Intellectual Property, and Data Security and Privacy

If our security controls are compromised, leading to unauthorized or inappropriate access to customer data, our products could be perceived as insecure, and such perception may result in the loss of existing customers, hinder our ability to attract new ones, and expose us to significant liabilities.

Use of our products involves the storage, transmission, and processing of our customers' proprietary data, including personal or identifying information. From time to time, we have experienced unauthorized or inappropriate access to, or security breaches of, our products that result in unauthorized or inappropriate access to data and information, and the loss, compromise or corruption of such data and information. While these have not been material, there can be no assurance that future security events will not be material, and in the event of a security breach, we could suffer loss of business, severe reputational damage, adversely affecting customer or investor confidence, regulatory investigations and orders, litigation, indemnity obligations, damages for contract breach, penalties for violation of applicable laws or regulations, significant costs for remediation, and other liabilities. In addition, we rely on third-party service providers to host or otherwise process some of such data, and there have been, and may continue to be, attacks on our third-party service providers. Failure by a third party, or any other entity in our collective supply chain, to prevent or mitigate data security breaches or improper access to, or use, acquisition, disclosure, alteration, or destruction of, such data can have similar adverse consequences for us. We have incurred and expect to incur significant expenses to prevent security breaches, including costs related to deploying additional personnel and protection technologies, training employees, and engaging third-party solution providers and consultants. Our errors and omissions insurance, covering certain security and privacy damages and claim expenses, may not be sufficient to compensate for all liabilities we may incur.

Although we expend significant resources to create security protections that shield our customer data against potential theft and security breaches, the techniques used to obtain unauthorized access to systems or sabotage systems, or disable or degrade services, change frequently and are often unrecognizable until launched against a target, and therefore such measures cannot provide absolute security. We have in the past experienced breaches of our security measures and other inappropriate access to our systems. Certain of these events have resulted in unauthorized access to certain data processed through our products. Our products are at risk for future breaches and inappropriate access, including, without limitation, inappropriate access that may be caused by errors or breaches that may occur as a result of third-party action, or employee, vendor or contractor error or malfeasance, and other causes. These and other risks may be heightened by our remote-first "Team Anywhere" work environment. We have also in the past been, and may in the future be, a target of security threats, including from state actors. While these events have not materially affected our business, reputation or financial results, there is no guarantee that they will not in the future. In addition, third parties have in the past and may in the future also utilize our products and platforms for malicious purposes, such as to upload abhorrent content (including on our Loom app) or host malware, which could result in reputational harm to us and negatively impact our business, and this risk could be heightened as adoption of our AI offerings increase. Building AI into our offerings has also resulted in, and may in the future result in, security events and increased cybersecurity risks. AI technologies, particularly specialized foundational large language models, can be used in connection with certain cybersecurity attacks, resulting in heightened risks of security breaches and events.

As we further transition to selling our apps, agents, and products via our Cloud offerings, continue to collect more personal and sensitive information, and operate in more countries, our risks continue to increase and evolve. For instance, we rely on third-party partners to develop apps on the Atlassian Marketplace that connect with and enhance our Cloud offerings for our customers. These apps may not meet the same quality standards that we apply to our own development efforts and have in the past, and may in the future, contain bugs, vulnerabilities, or defects that pose data security risks to our customers or lead to the unauthorized access of customer data. Our ability to mandate security standards and ensure compliance by these third parties may be limited. Additionally, our products have been, and may in the future be, subject to vulnerabilities in the third-party software on which we rely. We have in the past identified a vulnerability in an open source software application we used and similar events may occur in the future and could have a material adverse effect on our business. We are likely to face increased risks that real or perceived vulnerabilities of our systems could seriously harm our business and our financial performance, by tarnishing our reputation and brand and limiting the adoption of our products.

Because the techniques used to obtain unauthorized access to or to sabotage systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period and, therefore, have a greater impact on the products we offer, the proprietary data processed through our services, and, ultimately, on our business.

Data security breach incidents also expose us to liability under various laws and regulations across jurisdictions and increase the risk of litigation and governmental or regulatory investigation. Due to concerns about data security and integrity, a growing number of legislative and regulatory bodies have adopted breach notification and other requirements in the event that information subject to such laws is disclosed without authorization, accessed by unauthorized persons, lost or deleted, or otherwise impacted by a security breach. We are increasingly subject to heightened obligations, particularly as we offer products and services to public sector organizations and regulated industries, such as Federal Risk and Authorization Management Program (“FedRAMP”) and the Health Insurance Portability and Accountability Act (“HIPAA”) in the U.S., and relevant regulated sector laws in the EU. There may be additional regulations regarding the security of such data in the future. Additionally, we may need to notify customers, governmental authorities, and/or other affected individuals with respect to such incidents. For example, laws in the EU and UK and all 50 U.S. states may require businesses to provide notice to customers, governmental authorities, and/or other individuals whose personal information has been impacted by a data security breach. Complying with such numerous and complex regulations in the event of a data security breach would be expensive and difficult, and failure to comply with these regulations could subject us to regulatory scrutiny and additional liability. We are also contractually required to notify customers or other counterparties of certain security incidents, including certain data security breaches. Regardless of our contractual protections, any actual or perceived data security breach, or breach of our contractual obligations, could harm our reputation and brand, expose us to potential liability, or require us to expend significant resources on data security and in responding to any such actual or perceived breach.

Interruptions or performance problems associated with our technology and infrastructure could harm our business and results of operations.

We rely heavily on our network infrastructure and information technology systems for our business operations, and our continued growth depends in part on the ability of our existing and potential customers to access our solutions at any time and within an acceptable amount of time. In addition, we rely almost exclusively on our websites for the downloading of, and payment for, all our apps, agents, and products. We have experienced, and may in the future experience, disruptions, data loss and corruption, outages and other performance problems with our infrastructure and websites due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, denial of service attacks, or other security-related events. In some instances, we have not been able to, and in the future may not be able to, identify the cause or causes of these performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve our performance, especially during peak usage times and as our products and websites become more complex and our user traffic increases.

If our apps, agents, products or websites are unavailable, if our users are unable to access our apps, agents, products or websites within a reasonable amount of time, or at all, or if our information technology systems for our business operations experience disruptions, delays or deficiencies, our business could be harmed. For example, we have incurred costs associated with service disruptions in the past. We also may be subject to regulations that require us to report extended services outages to governmental authorities and customers. Moreover, we provide service level commitments under certain of our paid customer cloud contracts, pursuant to which we guarantee

specified minimum availability. If we fail to meet these contractual commitments, we could be obligated to provide credits for future service, or face contract termination with refunds of prepaid amounts related to unused subscriptions, which could harm our business, results of operations, and financial condition. From time to time, we have granted, and in the future will continue to grant, credits to paid customers pursuant to, and sometimes in addition to, the terms of these agreements. For example, we have in the past incurred costs associated with offering service level credits and other concessions to certain customers who experienced outages across their use of our offerings. It is possible that large-scale outages in the future could materially and adversely impact our results of operations or financial condition. Further, disruptions, data loss and corruption, outages, and other performance problems in our cloud infrastructure may cause customers to delay or halt their transition to our Cloud offerings, to the detriment of our increased focus on our Cloud offerings, which could harm our business, results of operations and financial condition.

Additionally, we depend on services from various third parties, including cloud computing platform providers (such as Amazon Web Services) and other hardware and software providers, as well as general internet availability, to maintain our infrastructure and distribute our apps, agents, and products. Any disruptions in these services, including as a result of actions outside of our control, would significantly impact the continued performance of our apps, agents, and products. In the future, these services may not be available to us on commercially reasonable terms, or at all. Any loss of the right to use any of these services could result in decreased functionality of our apps, agents, and products until equivalent technology is either developed by us or, if available from another provider, is identified, obtained, and integrated into our infrastructure. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, results of operations and financial condition could be harmed.

Real or perceived errors, failures, vulnerabilities, or bugs in our offerings or in the apps on Atlassian Marketplace could harm our business and results of operations.

Errors, failures, vulnerabilities, or bugs may occur in our offerings, especially when updates are deployed or new apps, agents, or products are rolled out. Our solutions are often used in connection with large-scale computing environments with different operating systems, system management software, equipment, and networking configurations, which may cause errors, failures of apps, agents, or products, or other negative consequences in the computing environment into which they are deployed. In addition, deployment of our products into complicated, large-scale computing environments may expose errors, failures, vulnerabilities, or bugs in our apps, agents, or products. Any such errors, failures, vulnerabilities, or bugs have in the past not been, and in the future may not be, found until after they are deployed to our customers. Real or perceived errors, failures, vulnerabilities, or bugs in our apps, agents or products have and could result in negative publicity, impacts to the confidentiality, integrity or availability of customer data, loss of or unauthorized access to customer data, loss of or delay in market acceptance of our offerings, loss of competitive position, or claims by customers for losses sustained by them, all of which could harm our business and results of operations.

In addition, third-party apps on Atlassian Marketplace may not meet the same quality standards that we apply to our own development efforts and in the past, third-party apps have caused disruptions affecting multiple customers. To the extent these apps contain bugs, vulnerabilities, or defects, such apps may create disruptions in our customers' use of our apps, negatively affect the confidentiality, integrity or availability of customer data, damage our brand and reputation, and affect the continued use of our apps, which could harm our business, results of operations and financial condition.

Privacy concerns and laws as well as evolving regulation of cloud computing, AI products and services, cross-border data transfers and other domestic or foreign regulations may limit the use and adoption of our services and adversely affect our business and results of operation.

Regulation related to the provision of services over the internet continues to evolve, as federal, state and foreign governments continue to adopt new, or modify existing, laws and regulations addressing data privacy, cybersecurity, data protection, cloud sovereignty and the collection, processing, storage, hosting, transfer, use and other processing of data. The volume, complexity and scope of these regulatory requirements may continue to increase, including in response to heightened geopolitical tensions. In the United States, the Federal Trade Commission and state regulators enforce a variety of data privacy issues, such as promises made in privacy policies or failures to appropriately protect information about individuals, as unfair or deceptive acts or practices in or affecting commerce in violation of the Federal Trade Commission Act or similar state laws. In addition, U.S. state data privacy laws, such as the California Consumer Privacy Act as amended by the California Privacy Rights Act

("CPRA"), and similar laws that have passed, gone into effect, or are being considered in many other U.S. states, impose obligations on us and many of our customers, potentially as both businesses and service providers.

In the European Economic Area ("EEA") and the UK, data privacy laws and regulations, such as the European Union General Data Protection Regulation ("EU GDPR") and United Kingdom General Data Protection Regulation and Data Protection Act 2018 (collectively, the "UK GDPR," and, together with the EU GDPR, the "GDPR"), impose comprehensive obligations directly on Atlassian as both a data controller and a data processor, as well as on many of our customers, in relation to our collection, processing, sharing, disclosure and other use of personal data. Data privacy laws and regulations around the globe continue to evolve and expand, and as various jurisdictions continue to introduce legislation or regulation (such as India's Digital Personal Data Protection Act), we and our customers could be exposed to additional regulatory burdens that could increase our costs, reduce usage of our offerings, and adversely affect our business and results of operations.

As our Cloud offerings continue to become more central to our distribution model, particularly in light of our Data Center end-of-life plans, we may face additional privacy risks, including risks stemming from regulation of cloud computing. For example, the transition to Cloud offerings may be impacted by emerging EU cloud sovereignty requirements that could disadvantage our Cloud offerings in public sector organizations and regulated industries. We may also be subject to increased data security risks as customers increasingly transition from self-managed environments to our Cloud platform. And, recent governmental actions and geopolitical developments have increased the perceived risk that our offerings, particularly in the EU, could be disrupted, suspended or terminated.

We are also subject to evolving privacy laws on cookies and similar tracking technologies and e-marketing. Certain U.S. states and foreign jurisdictions, such as Australia, Canada, and the EU, have enacted laws regulating electronic communications and data collection, some more restrictive than U.S. laws, and the placement and use of cookies and similar technologies are subject to consent requirements across several of these jurisdictions. Recent European court and regulatory decisions have intensified scrutiny around compliance with these requirements, and there has been active civil litigation alleging improper data collection through such technologies in our industry. From time to time we have been and may be subject to legal claims related to these practices. These developments could restrict our ability to process data, reach customers, and derive insights from customer data, and have in the past, and may in the future result in additional compliance and operational costs.

In addition, various safe harbors have historically been provided to those who hosted content provided by others, such as safe harbors from monetary damages for copyright infringement arising from copyrighted content provided by customers and others, and for defamation and other torts arising from information provided by customers and others. There is an increasing demand for repealing or limiting these safe harbors by either judicial decision or legislation. Loss of these safe harbors may require altering or limiting some of our services or may require additional contractual terms to avoid liabilities for our customers' misconduct.

We monitor the regulatory, judicial, and legislative environment and have invested in addressing these developments. These new laws may require us to make additional changes to our practices and services to enable us or our customers to meet the new legal requirements, and may also increase our potential liability exposure through new or higher potential penalties for noncompliance. To date, we have not been subject to any material penalties for non-compliance with any such legal requirements, but there can be no assurance that any future penalties will not be material or significant. In addition, changes to penalties, fines, and action related to data breaches could impact our potential liability exposure. Record-breaking enforcement actions globally have shown that regulators wield their right to impose substantial fines for violations of technology regulations, and these enforcement actions could result in guidance from regulators that would require changes to our current compliance strategy.

Furthermore, privacy laws and regulations are subject to differing interpretations and may be inconsistent among jurisdictions. These and other requirements are causing increased scrutiny among customers, particularly in the public sector and highly regulated industries, and may be perceived differently from customer to customer. These developments could reduce demand for our services, require us to take on more onerous obligations in our contracts, restrict our ability to store, transfer and process data, require us to fundamentally change our business activities and practices or modify our products, or, in some cases, impact our ability or our customers' ability to offer our services in certain locations, to deploy our solutions, to reach current and prospective customers, or to derive insights from customer data globally. For example, in July 2020, the Court of Justice of the European Union ("CJEU") invalidated the EU-U.S. Privacy Shield Framework, one of the mechanisms that allowed companies, including Atlassian, to transfer personal data from the EEA to the United States. Even though the CJEU decision upheld the Standard Contractual Clauses as an adequate transfer mechanism, the decision created uncertainty around the validity of all EU-to-U.S. data transfers. The EU and U.S. governments later established the EU-U.S.

Data Privacy Framework to foster EU-to-U.S. data transfers and address the concerns raised in the aforementioned CJEU decision. As recent court decisions modify the dynamics of regulatory bodies, there is uncertainty whether the EU-U.S. Data Privacy Framework may be at risk of being overturned. Certain countries outside of the EEA have also passed or are considering passing laws requiring varying degrees of local data residency. For example, statutory damages available through a private right of action for certain data breaches under the CPRA and potentially other U.S. states' laws may increase our and our customers' potential liability and the demands our customers place on us. As another example, more jurisdictions are considering legal frameworks on AI, a trend that may continue to increase as the EU AI Act progresses through its implementation period and several similar laws have been passed in various jurisdictions.

The costs of compliance with, and other burdens imposed by, privacy laws, regulations and standards may limit the use and adoption of our services, reduce overall demand for our services, make it more difficult to meet expectations from our commitments to customers and our customers' users, lead to significant fines, penalties or liabilities for noncompliance, impact our reputation, or slow the pace at which we close sales transactions, in particular where customers request specific warranties and unlimited indemnity for noncompliance with privacy laws, any of which could harm our business. We have adopted and continue to adopt data residency in certain territories. These services may enhance our ability to attract and retain customers operating in the relevant jurisdictions, but may also increase the cost and complexity of supporting those customers, the scope of our residency offering may not align with customer needs, and our customers may request similar offerings in other territories. Our data residency controls may at times fail, exposing us to fines, penalties, civil actions, or other harm.

In addition to government activity, privacy advocates and other industry groups have established or may establish new self-regulatory standards that may place additional burdens on our ability to provide our services globally. Our customers expect us to meet voluntary certification and other standards established by third parties. If we are unable to maintain these certifications or meet these standards, it could adversely affect our ability to provide our solutions to certain customers and could harm our business. In addition, we have experienced certain, and overall seen a trend toward, private enforcement of data protection obligations, including through private actions for alleged noncompliance, which could harm our business and negatively impact our reputation. In addition, a shift in consumers' data privacy expectations or other social, economic, or political developments could impact the regulatory enforcement of privacy regulations, which could require our cooperation and increase the cost of compliance with the imposed regulations.

Further, any failure or perceived failure by us to comply with our posted privacy policies, our privacy-related obligations to users or other third parties, or any other legal obligations or regulatory requirements relating to privacy, data protection or information security may result in governmental investigations or enforcement actions, litigation, claims or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our users to lose trust in us, and otherwise materially and adversely affect our reputation and business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations and policies that are applicable to the businesses of our users may limit the adoption and use of, and reduce the overall demand for, our platform. Additionally, if third parties we work with violate applicable laws, regulations or agreements, such violations may put our users' data at risk, could result in governmental investigations or enforcement actions, fines, litigation, claims, or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our users to lose trust in us and otherwise materially and adversely affect our reputation and business. To date, any such actions or investigations have not been material to the Company's operations, but there can be no assurance that any future actions or investigations will not be material or significant. Further, public scrutiny of, or complaints about, our data handling or data protection practices, may also lead to increased regulatory scrutiny or cause our customers to seek alternative products or services. Complaints about the practices of technology companies in general, even if unrelated to our business or operations, may also lead to increased scrutiny of technology companies, including us, and may cause government agencies to enact additional regulatory requirements, or to modify their enforcement or investigation activities, which may increase our costs and risks.

New laws, guidance or decisions related to AI, as well as the related increased regulatory scrutiny in recent years, may limit our ability to use our AI solutions, apps, agents and features, or require us to make changes to our operations that may decrease our operational efficiency, result in an increase to operating costs or hinder our ability to improve our services. While the GDPR already provides for transparency obligations and the imposition of safeguards where automated decision-making is used in certain circumstances, a number of U.S. state data privacy laws that have passed, gone into effect, or are being considered similarly impose transparency obligations and provide the right for data subjects to opt-out of profiling that will have legal or similarly significant effects. As these laws continue to evolve, we and our customers could be exposed to additional regulatory burdens that could

increase our costs, reduce usage of our apps or agents, and adversely affect our business and results of operations.

Finally, the uncertain and shifting regulatory environment and trust climate may raise concerns regarding data privacy and cybersecurity, which may cause our customers or our customers' users to resist providing the data necessary to allow our customers to use our services effectively. In addition, new products we develop or acquire or new services we offer may expose us to liability or regulatory risk. Even the perception that the privacy and security of personal information are not satisfactorily protected or do not meet regulatory requirements could inhibit sales of our offerings or services and could limit adoption of our cloud offerings.

We have been and may be sued by third parties for alleged infringement or misappropriation of their intellectual property rights.

There is considerable patent and other intellectual property development activity in our industry. Our future success depends in part on not infringing upon or misappropriating the intellectual property rights of others. We have received, and may receive in the future, communications and lawsuits from third parties, including practicing entities and non-practicing entities, claiming that we are infringing upon or misappropriating their intellectual property rights, including patents, copyrights, trade secrets, and trademarks, and we may be found to be infringing upon or misappropriating such rights. We may be unaware of the intellectual property rights of others that may cover some or all of our technology, or technology that we obtain from third parties. Furthermore, the legal issues, including copyright and related rights, surrounding AI technologies and the data used for training such technologies or otherwise used as inputs into such technologies has not been fully addressed by courts or national or local laws or regulations, and the use or adoption of AI technologies into our apps and services may result in exposure to claims of copyright infringement, other intellectual property infringement or misappropriation, or other related claims. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty or license payments, prevent us from offering our products or using certain technologies, require us to implement expensive workarounds, refund fees to customers or require that we comply with other unfavorable terms. In the case of infringement, or misappropriation caused by technology that we obtain from third parties, any indemnification or other contractual protections we obtain from such third parties, if any, may be insufficient to cover the liabilities we incur as a result of such infringement or misappropriation. We may also be obligated to indemnify our customers or business partners in connection with any such claims or litigation and to obtain licenses, modify our products or refund fees, which could further exhaust our resources. Even if we were to prevail in the event of claims or litigation against us, any claim or litigation regarding our intellectual property could be costly and time-consuming and divert the attention of our management and other employees from our business operations and disrupt our business.

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

Our agreements with customers and other third parties may include indemnification or other provisions under which we agree to indemnify or otherwise be liable to them for losses suffered or incurred as a result of claims of intellectual property infringement, damages caused by us to property or persons, or other liabilities relating to or arising from our products or other acts or omissions. The term of these contractual provisions often survives termination or expiration of the applicable agreement. Large indemnity payments or damage claims from contractual breach could harm our business, results of operations and financial condition. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other current and prospective customers, reduce demand for our products, damage our reputation and harm our business, results of operations and financial condition.

We use open source software in our products that may subject our products to general release or require us to re-engineer our products, which could harm our business.

We use open source software in our products and expect to continue to use open source software in the future. There are uncertainties regarding the proper interpretation of and compliance with open source software licenses. Consequently, there is a risk that the owners of the copyrights in such open source software may claim that the open source licenses governing their use impose certain conditions or restrictions on our ability to use the software that we did not anticipate. Such owners may seek to enforce the terms of the applicable open source license, including by demanding release of the source code for the open source software, derivative works of such software, or, in some cases, our proprietary source code that uses or was developed using such open source software. These claims could also result in litigation, require us to purchase a costly license or require us to devote additional research and development resources to change our products, any of which could result in additional cost,

liability and reputational damage to us, and harm to our business and results of operations. In addition, if the license terms for the open source software we utilize change, we may be forced to re-engineer our products or incur additional costs to comply with the changed license terms or to replace the affected open source software. Although we have implemented policies and tools to regulate the use and incorporation of open source software into our products, we cannot be certain that we have not incorporated open source software in our products in a manner that is inconsistent with such policies.

Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand.

Our success and ability to compete depend in part upon our intellectual property. We primarily rely on a combination of patent, copyright, trade secret and trademark laws, trade secret protection and confidentiality or license agreements with our employees, customers, business partners and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate. We make business decisions about when to seek patent protection for a particular technology and when to rely upon trade secret protection, and the approach we select may ultimately prove to be inadequate. Even in cases where we seek patent protection, there is no assurance that the resulting patents will effectively protect every significant feature of our products. In addition, we believe that the protection of our trademark rights is an important factor in product recognition, protecting our brand and maintaining goodwill and if we do not adequately protect our rights in our trademarks from infringement, any goodwill that we have developed in those trademarks could be lost or impaired, which could harm our brand and our business. In any event, in order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights.

For example, we provide certain of our customers with the ability to request a copy of the source code of those products, which they may customize for their internal use under limited license terms, subject to confidentiality and use restrictions. If any of such customers misuse or distribute our source code in violation of our agreements with them, or anyone else obtains access to our source code, it could cost us significant time and resources to enforce our rights and remediate any resulting competitive harms.

Litigation brought to protect and enforce our intellectual property rights could be costly, time consuming and distracting to management. Furthermore, 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, which could result in the impairment or loss of portions of our intellectual property rights. Our failure to secure, protect and enforce our intellectual property rights could harm our brand and our business.

Risks Related to Financial Matters

Our quarterly results have fluctuated in the past and may fluctuate significantly in the future and may not fully reflect the underlying performance of our business.

Our quarterly financial results have fluctuated in the past and may fluctuate in the future as a result of a variety of factors, many of which are outside of our control. If our quarterly financial results fall below the expectations of investors or any securities analysts who follow us, the price of our Class A Common Stock could decline substantially. Factors that may cause our revenue, results of operations and cash flows to fluctuate from quarter to quarter include, but are not limited to:

- our ability to attract new customers, retain and increase sales to existing customers, and satisfy our customers' requirements;
- the timing and terms of customer contracts and renewals;
- seasonality impacts in our sales cycle and other operations;
- challenges in collecting outstanding accounts receivable balances;
- changes in our or our competitors' pricing policies and offerings;
- new products, features, enhancements, or functionalities introduced by our competitors;
- changes to our overall market;
- the amount and timing of our operating costs and capital expenditures related to the operations and expansion of our business;

- our focus on our Cloud offerings and customer migrations to our Cloud platform;
- the success of our AI offerings and our continued ability to incorporate AI solutions and features into our products, platform and business;
- changes in foreign currency exchange rates or adding additional currencies in which our sales are denominated;
- the amount and timing of acquisitions or other strategic transactions;
- significant security breaches, technical difficulties, or interruptions to our products or the third-party products on which we rely;
- the impact of new accounting pronouncements and associated system implementations, or changes in accounting principles and the application of new and existing accounting principles;
- extraordinary expenses such as litigation, tax settlements, adverse audit rulings or other dispute-related settlement payments;
- the number of new employees added or, conversely, any reductions in force;
- the timing of the grant or vesting of equity awards to employees, contractors, or directors;
- major changes to management or our board of directors;
- general economic conditions, including inflationary pressures and interest rate policy, that may adversely affect either our customers' ability or willingness to purchase additional licenses, subscriptions, delay a prospective customer's purchasing decisions, reduce the value of new license or subscription, or affect customer retention; and
- the impact of U.S. and international political and social unrest, changes in trade policies, armed conflict, natural disasters, climate change, diseases and pandemics, and any associated economic downturn, on our results of operations and financial performance.

Many of these factors are outside of our control, and the occurrence of one or more of them might cause our revenue, results of operations, and cash flows to vary widely. As such, we believe that quarter-to-quarter comparisons of our revenue, results of operations, and cash flows may not be meaningful and should not be relied upon as an indication of future performance.

We recognize certain revenue streams over the term of our subscription contracts. Consequently, downturns in new sales may not be immediately reflected in our results of operations and may be difficult to discern.

We generally recognize subscription revenue from customers ratably over the terms of their contracts. As a result, a significant portion of the revenue we report in each quarter is derived from the recognition of deferred revenue relating to subscription plans entered into during previous quarters. Consequently, a decline in new or renewed licenses and subscriptions or any challenges relating to accounts receivable collections or collection periods in any single quarter may only have a small impact on our revenue results for that quarter. However, such a decline will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our offerings, and potential changes in our pricing policies or rate of expansion or retention, may not be fully reflected in our results of operations until future periods. For example, the impact of economic uncertainties may cause customers to request concessions, including better pricing, which may not be reflected immediately in our results of operations. In addition, customers have in the past and may in the future slow their rate of expansion or edition upgrades or reduce their number of licenses. Changes in the terms of our customer contracts, product lifecycles and the adoption and application of accounting principles relating to revenue recognition also impact our results.

We may also be unable to reduce our cost structure in line with a significant deterioration in sales. In addition, a significant majority of our costs are expensed as incurred, while a significant portion of our revenue is recognized over the life of the agreement with our customer. As a result, increased growth in the number of our customers could continue to result in our recognition of more costs than revenue in the earlier periods of the terms of certain of our customer agreements. Our subscription revenue also makes it more difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from certain new customers must be recognized over the applicable term.

Seasonality may cause fluctuations in our revenue.

As we continue to invest in our sales-led motion and deepen our footprint with enterprise customers, we believe we have and may continue to see increased seasonal fluctuations in the timing of when we enter into customer agreements. We believe we may have experienced in the past and may experience in the future seasonality effects due to enterprise customer budget cycles and our internal commission plans and quotas for our enterprise sales force. For instance, a higher percentage of customer sales are typically executed in the second and fourth quarters of our fiscal year. Seasonality effects may cause variability in revenue growth rates in certain quarters and within quarters. Our revenues fluctuate quarterly, and seasonality effects may cause additional fluctuations in our quarterly financial results. These fluctuations may adversely affect the market price of our Class A Common Stock.

We may require additional capital to support our operations or the growth of our business and we cannot be certain that we will be able to secure this capital on favorable terms, or at all.

We may require additional capital to respond to business opportunities, challenges, acquisitions, a decline in the level of revenue from our offerings, or other unforeseen circumstances. We may not be able to timely secure debt or equity financing on favorable terms, or at all. This inability to secure additional debt or equity financing could be exacerbated in times of economic uncertainty and tighter credit. For example, during periods of higher interest rates, as has occurred in recent years in the U.S. and other regions, debt financing may become more expensive. The 2024 Credit Facility and the indenture governing our Notes (each defined below) contain certain restrictive covenants and any future debt financing obtained by us could involve restrictive covenants relating to financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. If we raise additional funds through issuances of equity, convertible debt securities or other securities convertible into equity, our existing stockholders could suffer significant dilution in their percentage ownership of Atlassian. Any new equity or debt securities we issue could also have rights, preferences, and privileges senior to those of holders of our Class A Common Stock. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to grow or support our business and to respond to business challenges could be significantly limited.

Our current and future indebtedness may limit our flexibility in obtaining additional financing and in pursuing other business opportunities or operating activities.

In May 2024, we issued $500 million aggregate principal amount of 5.250% senior notes due 2029 (the “2029 Notes”) and $500 million aggregate principal amount of 5.500% senior notes due 2034 (together with the 2029 Notes, the “Notes”). In August 2024, we amended and restated our prior credit facility to eliminate the senior unsecured delayed-draw term loan facility and provide for a $750 million senior unsecured revolving credit facility (the “2024 Credit Facility”). As of June 30, 2026, we had no outstanding revolving loans under the Credit Facility.

Our Credit Facility requires compliance with various financial and non-financial covenants, including affirmative covenants relating to the provision of periodic financial statements, compliance certificates and other notices, maintenance of properties and insurance, payment of taxes and compliance with laws and negative covenants, including, among others, restrictions on the incurrence of certain indebtedness, granting of liens and mergers, dissolutions, consolidations and dispositions. The Credit Facility also provides for a number of events of default, including, among others, failure to make a payment, bankruptcy, breach of a covenant or representation and warranty, default under material indebtedness (other than the Credit Facility), change of control and judgment defaults. The indentures governing our Notes contain certain negative covenants, including a limitation on liens and a limitation on sale/leaseback covenants.

Under the terms of these covenants, we may be restricted from engaging in business or operating activities that may otherwise improve our business or from financing future operations or capital needs. Failure to comply with certain covenants, including the financial covenant, if not cured or waived, will result in an event of default that could trigger acceleration of our indebtedness, which would require us to repay all amounts owed and could have a material adverse impact on our business. In addition, our Credit Facility has a floating interest rate that is based on variable and unpredictable U.S. and international economic risks and uncertainties. If we were to draw on the Credit Facility, any increase in interest rates may negatively impact our financial results.

We continue to have the ability to incur additional debt, subject to the limitations in our Credit Facility and the indentures governing our Notes. Our level of debt could have important consequences to us, including the following:

- our ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may not be available on favorable terms;

- we may need a substantial portion of our cash flow to make principal and interest payments on our debt, reducing the funds that would otherwise be available for investment in operations and future business opportunities;
- our debt level will make us more vulnerable than our competitors with less debt to competitive pressures or a downturn in our business or the economy generally; and
- our debt level may limit our flexibility in responding to changing business and economic conditions.

Our ability to service our debt will depend upon, among other things, our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond our control. If our operating results are not sufficient to service our current or future indebtedness, we will be forced to take actions such as reducing or delaying our business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing our debt, or seeking additional equity capital or bankruptcy protection. We may not be able to effect any of these remedies on satisfactory terms to us or at all.

We are subject to risks associated with our strategic investments, including partial or complete loss of invested capital. Significant changes in the value of this portfolio could negatively impact our financial results.

We have strategic investments in privately held companies, and, in the past, publicly traded companies, in both domestic and international markets, including in emerging markets. These companies range from early-stage companies to more mature companies with established revenue streams and business models. Many such companies generate net losses and the market for their products, services or technologies may be slow to develop, and, therefore, they are dependent on the availability of later rounds of financing from banks or investors on favorable terms to continue their operations. The financial success of our investment in any privately held company is typically dependent on a liquidity event, such as a public offering, acquisition or other favorable market event reflecting appreciation relative to the cost of our initial investment. Likewise, the financial success of our investment in any publicly held company would be typically dependent upon an exit in favorable market conditions, and to a lesser extent on liquidity events. The capital markets for public offerings and acquisitions are dynamic and the likelihood of successful liquidity events for the companies we have invested in could significantly worsen.

Privately held companies in which we invest have undertaken in the past and others may in the future undertake, an initial public offering. We may also decide to invest in companies in connection with or as part of such company's initial public offering or other transactions directly or indirectly resulting in it being publicly traded. Therefore, our investment strategy and portfolio have also expanded in the past to include public companies. In certain cases, our ability to sell these investments may be constrained by contractual obligations to hold the securities for a period of time after a public offering, including market standoff agreements and lock-up agreements.

All of our investments, especially our investments in privately held companies, are subject to a risk of a partial or total loss of investment capital and a number of our investments have lost value in the past. Valuations of privately held companies are also inherently complex due to the lack of readily available market data, and, as a result, the basis for these valuations is subject to the timing and accuracy of the data received from these companies. If we determine that any of our more significant investments have experienced a decline in value, we may be required to record an impairment, which could be material and negatively impact our financial results. In addition, we have in the past, and may in the future, continue to deploy material investments in individual companies in which we have previously invested, resulting in the increasing concentration of risk in a small number of companies. Partial or complete loss of investment capital of these individual companies could be material to our financial statements.

Our global operations and structure subject us to potentially adverse tax consequences.

We are subject to tax in the U.S., Australia, and various other jurisdictions. Significant judgment is often required in the determination of our worldwide provision for income taxes. Our effective tax rate could be impacted by changes in our earnings and losses in countries with differing statutory tax rates, changes in transfer pricing, changes in operations, changes in nondeductible expenses, changes in excess tax benefits of stock-based compensation expense, changes in the valuation of deferred tax assets and liabilities and our ability to utilize them, the applicability of withholding taxes, effects from acquisitions, and changes in accounting principles and tax laws. Any changes or uncertainty in taxing jurisdictions' administrative interpretations, decisions, policies, and positions could also materially impact our income tax liabilities. Our intercompany relationships are subject to complex transfer pricing regulations administered by taxing authorities in various jurisdictions. The relevant revenue and

taxing authorities may disagree with positions we have taken generally, or our determinations as to the value of assets sold or acquired, or income and expenses attributable to specific jurisdictions. Due to the inherent uncertainty of transfer pricing, advanced pricing agreements are prioritized for complex and material cross border transactions. The unilateral advanced pricing arrangement with the Australian Taxation Office ("ATO") in relation to our transfer pricing arrangements between Australia and the U.S. for the tax years ended June 30, 2019 to June 30, 2025 has now expired.

We are pursuing a renewal and will continue to pursue advanced pricing arrangements in Australia and the U.S., which represent a significant portion of our intercompany transactions, and other jurisdictions to proactively manage the risk of transfer pricing disputes with tax authorities. In the absence of these arrangements, there may be additional tax liabilities in the future. In addition, in the ordinary course of our business we are subject to tax audits from various taxing authorities. Although we believe our tax positions are appropriate, the final determination of any future tax audits could be materially different from our income tax provisions, accruals and reserves. If such a disagreement were to occur, we could be required to pay additional taxes, interest, and penalties, which could result in one-time tax charges, a higher effective tax rate, reduced cash flows and lower overall profitability of our operations.

Tax laws in the U.S. and in foreign jurisdictions are subject to change. For example, in July 2025, the U.S. government enacted The One Big Beautiful Bill Act ("OBBBA") which includes a broad range of tax reform provisions that may affect our financial results. The OBBBA includes, among other provisions, the allowance of immediate expensing of qualifying domestic research and development expenses and permanent extensions of certain provisions within the Tax Cuts and Jobs Act, which was signed into law in 2017. The Inflation Reduction Act ("IRA"), signed into law in 2022, includes various corporate tax provisions including an alternative corporate minimum tax on applicable corporations. The IRA tax provisions may become applicable to us in future years, which could result in additional taxes, a higher effective tax rate, reduced cash flows and lower overall profitability of our operations.

Certain government agencies in jurisdictions where we do business have had an extended focus on issues related to the taxation of multinational companies. In addition, the Organization for Economic Cooperation and Development ("OECD") has introduced various guidelines changing the way tax is assessed, collected, and governed. Of note are the efforts around base erosion and profit shifting which seek to establish certain international standards for taxing the worldwide income of multinational companies. These measures have been endorsed by the leaders of the world's 20 largest economies.

In March 2018, the European Commission proposed a series of measures aimed at ensuring a fair and efficient taxation of digital businesses operating within the EU. As collaborative efforts by the OECD and European Commission continue, some countries have unilaterally moved to introduce their own digital service tax or equalization levy to capture tax revenue on digital services more immediately. Notably, France, Italy, Austria, Spain, the UK, and Turkey have enacted this tax, generally 2% on specific in-scope sales above a revenue threshold. The EU and the UK have established a mandate that focuses on the transparency of cross-border arrangements concerning at least one EU member state through mandatory disclosure and exchange of cross-border arrangements rules. The mandate is further extended to include certain domestic arrangements in Poland. These regulations (known as MDR in the UK and Poland and DAC 6 in the other EU countries) require taxpayers to disclose certain transactions to the tax authorities resulting in an additional layer of compliance and requiring careful consideration of the tax benefits obtained when entering into transactions that need to be disclosed.

The OECD introduced significant changes to the international tax law framework through the Pillar Two guidelines. These guidelines establish a coordinated set of rules intended to prevent multinational enterprises from shifting profits to low-tax jurisdictions by implementing a 15% global minimum tax. Many countries in which we operate, including the member states of the EU, have enacted Pillar Two. Pillar Two rules became applicable to us in fiscal year 2025. In response to U.S. opposition to certain aspects of Pillar Two, in January 2026 the OECD introduced a new "side-by-side" safe harbor that is expected to apply to us beginning in fiscal year 2027. This safe harbor would exclude U.S.-parent groups from certain provisions of Pillar Two; however, locally enacted domestic minimum taxes would continue to apply. The potential effects of Pillar Two may vary depending on the specific provisions and rules implemented by each country that adopts Pillar Two and may include changes in tax rates, higher effective tax rates, potential tax disputes and adverse impacts to our cash flows, tax liabilities, results of operations and financial position.

Global tax developments applicable to multinational companies may continue to result in new tax regimes or changes to existing tax laws, regulations, and taxation officer interpretations. If the U.S. or foreign taxing authorities

change tax laws, our overall taxes could increase, lead to a higher effective tax rate, harm our cash flows, results of operations and financial position.

Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, value-added or similar taxes, and we could be subject to liability with respect to past or future sales, which could harm our results of operations.

We do not collect sales and use, value-added and similar taxes in all jurisdictions in which we have sales, based on our understanding that such taxes are not applicable to the products we sell in certain jurisdictions. Sales and use, value-added and similar tax laws and rates vary greatly by jurisdiction. Certain jurisdictions in which we do not collect such taxes have in the past and may in the future assert that such taxes are applicable, or update legislation such that these taxes become applicable, which could result in tax assessments, penalties, and interest, and we may be required to collect such taxes in the future. Such tax assessments, penalties and interest, or future requirements could harm our results of operations.

If we are unable to maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our Class A Common Stock could be negatively affected.

As a public company, we are required to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls. We are required to furnish a report by management on the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act ("Section 404"). If we identify material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of Class A Common Stock could be negatively affected. We could also become subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

We face exposure to foreign currency exchange rate fluctuations.

While we primarily sell our apps, agents, products, and services in U.S. dollars, we incur expenses in currencies other than the U.S. dollar, which exposes us to foreign currency exchange rate fluctuations. A large percentage of our expenses are denominated in the Australian dollar, the Indian rupee, the Euro, and the British pound sterling and fluctuations in these currencies could have a material negative impact on our results of operations. Moreover, our subsidiaries, other than our U.S. subsidiaries, maintain net assets and liabilities that are denominated in currencies other than the U.S. dollar. In addition, we transact in non-U.S. dollar currencies for our apps, agents, products and services, and, accordingly, changes in the value of non-U.S. dollar currencies relative to the U.S. dollar could affect our revenue and results of operations due to transactional and translational remeasurements that are reflected in our results of operations.

We have a foreign exchange hedging program to hedge a portion of certain exposures to fluctuations in non-U.S. dollar currency exchange rates. We use derivative instruments, such as foreign currency forward contracts, to hedge the exposures. The use of such hedging instruments may not fully offset the adverse financial effects of unfavorable movements in foreign currency exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments or if we are unable to forecast hedged exposures accurately.

We are exposed to credit risk and fluctuations in the market values of our investment portfolio.

Given the global nature of our business, we have diversified U.S. and non-U.S. investments. Credit ratings and pricing of our investments can be negatively affected by liquidity, credit deterioration, financial results, economic risk, including from impacts of inflation, recent geopolitical instability, political risk, sovereign risk, or other factors. As a result, the value and liquidity of our investments may fluctuate substantially. Therefore, although we have not realized any significant losses on our investments, future fluctuations in their value could result in a significant realized loss.

If we are deemed to be an investment company under the Investment Company Act of 1940, our results of operations could be harmed.

Under Sections 3(a)(1)(A) and (C) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), a company generally will be deemed to be an "investment company" for purposes of the Investment Company Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding, or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We do not believe that we are an "investment company," as such term is defined in either of these sections of the Investment Company Act. We currently conduct, and intend to continue to conduct, our operations so that neither we, nor any of our subsidiaries, is required to register as an "investment company" under the Investment Company Act. If we were obligated to register as an "investment company," we would have to comply with a variety of substantive requirements under the Investment Company Act that impose, among other things, limitations on capital structure, restrictions on specified investments, prohibitions on transactions with affiliates, and compliance with reporting, record keeping, voting, proxy disclosure and other rules and regulations that would increase our operating and compliance costs, could make it impractical for us to continue our business as contemplated, and could harm our results of operations.

Risks Related to Legal and Regulatory Matters

Our development and use of AI technologies may expose us to operational, legal, regulatory, reputational and other risks that may adversely affect our business.

We are continually enhancing and expanding our platform and offerings with AI technology. Our development and use of AI technologies may expose us to operational challenges and security risks, legal claims, regulatory scrutiny, and reputational harm. As we develop and deploy AI technologies in our applications, products and services, including in customer-facing contexts, the speed, scale and complexity of related data processing may increase. AI technologies may be targeted or misused, or may perform in ways that are inaccurate, biased, unreliable or otherwise harmful, or that implicate personal or proprietary data in ways that may be difficult to anticipate, detect or control. Such issues could result in regulatory scrutiny, litigation, contractual disputes, loss of customer trust or reputational harm.

Inadequate or ineffective AI development, testing, deployment, content labeling, governance, monitoring or oversight, whether by us or others, could result in our AI technologies not operating as intended or with reduced functionality, reduced acceptance of our applications, products and services, or diminished confidence in the decisions, predictions, analysis or other outputs that our AI technologies produce. Such risks may be heightened as AI technologies are integrated into a broader range of our applications, products and services. This could subject us to regulatory scrutiny, competitive harm, legal liability and reputational damage.

We may rely in part on third-party models, datasets, cloud infrastructure or other technologies in developing or offering certain AI technologies. Our reliance on such third parties exposes us to risks relating to performance, availability, security vulnerabilities, intellectual property claims, licensing restrictions, cost increases or changes in terms of service. If a third-party provider modifies, suspends or terminates access to its models, data or infrastructure, or if such technologies fail to perform as expected, our ability to offer, scale or support certain AI applications may be adversely affected, and we may incur additional costs to mitigate such impacts.

We are also subject to evolving, and sometimes overlapping, global laws and regulations governing AI, including those related to privacy, data protection, intellectual property, and platform moderation. For example, the manner in which the requirements of privacy and data protection laws apply to AI technologies may conflict with our use of AI technologies. As a result, we may face increased difficulty operating these technologies, be subject to regulatory fines or penalties, be required to modify our business practices, retrain our AI systems, or even be prevented or restricted from using AI technologies altogether. New or changing legal requirements—such as the EU AI Act—may also require significant changes to our practices and increase compliance costs. Because the regulatory landscape for AI is rapidly evolving and varies by jurisdiction, we may face challenges in adapting our products and practices, and cannot predict all potential risks or liabilities related to AI use.

We and our customers are subject to increasing and changing laws and regulations that may expose us to liability and increase our costs.

Federal, state, local and foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the technology industry or the industries in which our customers operate, including imposing taxes, fees, or other charges. Changes in these laws or regulations could require us to modify our apps, agents, products, and services in order to comply with these changes. The costs of compliance with, and

other burdens imposed by, industry-specific laws, regulations and interpretive positions may limit our customers' use and adoption of our services and reduce overall demand for our services. Compliance with these regulations may also require us to devote greater resources to support certain customers, which may increase costs and lengthen sales cycles. For example, some financial services regulators in various jurisdictions have imposed guidelines for use of cloud computing services that mandate specific controls or require financial services enterprises to obtain regulatory approval prior to outsourcing certain functions. If we are unable to comply with these rules, guidelines, or controls, or if our customers are unable to obtain regulatory approval to use our services where required, our business may be harmed.

Additionally, various of our products are subject to U.S. export controls, including the U.S. Department of Commerce's Export Administration Regulations and economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls. These regulations may limit the export of our products and provision of our services outside of the U.S., or may require export authorizations, including by license, a license exception, or other appropriate government authorizations, including annual or semi-annual reporting and the filing of an encryption registration. Export control and economic sanctions laws may also include prohibitions on the sale or supply of certain of our products to embargoed or sanctioned countries, regions, governments, persons, and entities. In addition, various countries regulate the importation of certain products through import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our products. Import, export and economic sanctions laws can also change rapidly due to political events. The exportation, reexportation, and importation of our products, and the provision of services, including by our solution partners, must comply with these laws or else we may be adversely affected through reputational harm, government investigations, penalties, and a denial or curtailment of our ability to export our products or provide services. Complying with export control and sanctions laws can be time consuming and complex and may result in the delay or loss of sales opportunities. Although we take precautions to prevent our products from being provided in violation of such laws, we are aware of previous exports of certain of our products to a small number of persons and organizations that are the subject of U.S. sanctions or located in countries or regions subject to U.S. sanctions. If we are found to be in violation of U.S. sanctions or export control laws, it could result in substantial fines and penalties for us and for the individuals working for us. Changes in export or import laws or corresponding sanctions may delay the introduction and sale of our products in international markets, or, in some cases, prevent the export or import of our products to certain countries, regions, governments, persons or entities altogether, which could adversely affect our business, financial condition and results of operations. Changes in import and export laws are occurring in the jurisdictions in which we operate and we may fail to comply with new or changing regulations in a timely manner, which could result in substantial fines and penalties for us and could adversely affect our business, financial condition and results of operation.

We are also subject to various domestic and international anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act and the UK Bribery Act, as well as other similar anti-bribery and anti-kickback laws and regulations. These laws and regulations generally prohibit companies and their employees and intermediaries from authorizing, offering, or providing improper payments or benefits to officials and other recipients for improper purposes. We rely on certain third parties to support our sales and regulatory compliance efforts and can be held liable for their corrupt or other illegal activities, even if we do not explicitly authorize or have actual knowledge of such activities. Although we take precautions to prevent violations of these laws, our exposure for violating these laws increases as our international presence expands and as we increase sales and operations in additional jurisdictions.

Finally, as we expand our apps, agents, products, and services and evolve our business models, we may become subject to additional government regulation or increased regulatory scrutiny. Regulators (both in the U.S. and in other jurisdictions in which we operate) may adopt new laws or regulations, change existing regulations, or their interpretation of existing laws or regulations may differ from ours. For example, the regulation of emerging technologies that we develop and are otherwise incorporated into our offerings, including AI, is still an evolving area, and it is possible that we could become subject to new regulations that negatively impact our plans, operations, and results. Additionally, many jurisdictions across the world are currently considering, or have already begun implementing, changes to antitrust and competition laws, regulations or their enforcement to enhance competition in digital markets and address practices by certain digital platforms that they perceive to be anticompetitive, which may impact our ability to invest in, acquire or enter into joint ventures with other entities. We are also subject to a growing number of mandatory climate-related and sustainability disclosure regimes, as further described under "Regulators', investors', customers' and others' expectations and scrutiny of our performance relating to environmental, social and governance efforts may impose additional costs and expose us to new risks" below.

New legislation, regulation, public policy considerations, changes in the cybersecurity environment, litigation by governments or private entities, changes to or new interpretations of existing laws may result in greater oversight of the technology industry, restrict the types of apps, agents, products and services that we can offer, limit how we can distribute our products, or otherwise cause us to change the way we operate our business. We may not be able to respond quickly to such regulatory, legislative, and other developments, and these changes may in turn increase our cost of doing business and limit our revenue opportunities. In addition, if our practices are not consistent with new interpretations of existing laws, we may become subject to lawsuits, penalties, and other liabilities that did not previously apply.

Our sales to U.S. government entities and contractors are subject to additional challenges and risks, including those related to FedRAMP compliance.

We offer apps, agents, products, and services to U.S. federal, state, and local government agencies, as well as to contractors and organizations that support them. We have obtained various government certifications and authorizations that are required to support sales opportunities to the government, including Federal Risk and Authorization Management Program ("FedRAMP") Moderate, covering Jira, Confluence, and Jira Service Management. Maintaining FedRAMP and other similar restricted cloud environments places an increased compliance burden upon us, which may increase our internal costs to provide services to government agencies. Challenges and risks include:

- Maintaining FedRAMP authorization requires continuous monitoring, regular security assessments, and timely remediation of identified vulnerabilities. Any failure to meet these obligations, or any security incidents or breaches that demonstrate non-compliance with required controls, could result in loss of authorization, or otherwise undermine our trust with the authorizing agency, which would restrict our ability to serve public sector customers.
- Only products and features included within the FedRAMP authorization boundary are assessed for security compliance. Certain apps and integrations may not inherit FedRAMP status unless they are specifically evaluated and approved, which may limit the functionality available to government customers.
- The government security and certification requirements we are working towards (such as those for FedRAMP and related programs, including FedRAMP High and U.S. Department of Defense Impact Level 5), are subject to change. We are investing in expanding our compliance to higher security levels, but delays or inability to achieve these certifications could impact our competitiveness in the public sector.
- Government contracts may include terms that are less favorable than our standard agreements, and non-compliance with contract terms or regulatory requirements can result in severe penalties, including suspension or debarment from government contracting.
- Demand for our offerings from government customers may be influenced by public sector budget cycles, funding authorizations, government shutdowns, and changes in government policy or administration priorities. Contracts with governmental entities are also subject to termination for the convenience of the customer.
- We may be subject to audits and investigations related to our government contracts that could result in severe consequences if violations are found, including contract termination, future debarment, payment suspensions, profit forfeiture, civil and criminal penalties, and administrative sanctions. These penalties could significantly damage our reputation and adversely affect our financial performance.

Our success in the government sector depends on our ongoing compliance efforts, our ability to expand the scope of authorized offerings, and our responsiveness to evolving regulatory and customer requirements. Any failure in these areas could adversely impact our business, reputation, and financial results.

Adverse litigation results could have a material adverse impact on our business.

We have been involved with claims, suits, purported class or representative actions, regulatory and government investigations, or other proceedings. The claims, suits, actions, regulatory and government investigations we face may involve intellectual property, labor and employment, competition, commercial disputes, data security and privacy, bankruptcy, tax and related compliance, and other matters. They could impose a significant burden on our management and employees, prevent us from offering one or more of our apps or products to others, require us to change our technology or business practices, or result in monetary damages, fines, injunctive relief, civil or criminal penalties, reputational harm, or other adverse consequences. Any litigation and

other claims are subject to inherent uncertainties and a material adverse impact in our financial statements could occur for the period in which the effect of an unfavorable outcome becomes probable and reasonably estimable.

Regulators', investors', customers' and others' expectations and scrutiny of our performance relating to environmental, social and governance efforts may impose additional costs and expose us to new risks.

There is an increasing focus from certain regulators, investors, customers, employees, and other stakeholders concerning sustainability matters. Any failure to meet the sustainability standards set by various constituencies may damage our reputation or otherwise harm our business or financial condition.

As sustainability best practices and reporting standards continue to develop, we expect to incur increasing costs relating to sustainability monitoring, reporting, and compliance. In recent years, there has been a proliferation of climate and other sustainability disclosure requirements at the local, national, and international levels, which have required and will continue to require significant time, effort, and resources in order to comply with differing requirements. For example, we are now subject to mandatory climate-related disclosure requirements in Australia under the Australian Sustainability Reporting Standards (including AASB S2 Climate-related Disclosures) and the Corporations Act 2001 (Cth), and we expect to become subject to additional mandatory climate and sustainability disclosure regimes in other jurisdictions in which we operate including, for example, the European Union's Corporate Sustainability Reporting Directive, California's Climate Corporate Data Accountability Act (SB 253) and analogous regimes in the United States and elsewhere. These regimes require us to make new and expanded disclosures regarding our climate-related governance, strategy, risk management, metrics and targets, and may differ from one another in scope, methodology, materiality threshold, and assurance requirements. Differences or perceived inconsistencies between our disclosures across these regimes, or between these disclosures and our other public statements (including our Sustainability Report) could expose us to enforcement action, private litigation, regulatory inquiry, or reputational harm. These variations may occur even where the underlying data is accurate, reflecting the application of different regulatory frameworks or the structural necessity of reporting across distinct corporate perimeters and legal entity boundaries (such as regional subsidiary-level data perimeters versus our global consolidated organizational footprint).

Additionally, our ability to achieve our public sustainability commitments including our target to achieve net-zero emissions by fiscal year 2040 and our near-term emissions reduction targets for fiscal years 2026 through 2030, depends heavily on the independent climate targets and cooperation of our third-party suppliers and cloud infrastructure vendors.

If our sustainability practices and reporting fail to meet such requirements, or if our internal data collection systems, processes, and controls are deemed insufficient to support mandatory external auditing and third-party assurance standards, we may be exposed to risks of government or regulatory enforcement, penalties, delayed disclosures or liability. We voluntarily publish an annual Sustainability Report, which describes, among other things, the measurement of our greenhouse gas emissions and our efforts to reduce emissions. In addition, our Sustainability Report provides highlights of how we are supporting our workforce. Our disclosures on these matters, or a failure to meet evolving stakeholder expectations for sustainability practices and reporting, may potentially harm our reputation and customer relationships. Due to new regulatory standards and market standards, certain new or existing customers, particularly those in the European Union and Australia, may impose stricter sustainability guidelines or mandates for, and may scrutinize relationships more closely with, their counterparties, including us, which may lengthen sales cycles or increase our costs.

Furthermore, some investors may use sustainability factors to guide their investment strategies and, in some cases, may choose not to invest in us if they do not agree with our policies and actions relating to sustainability. If our competitors' sustainability performance is perceived to be better than ours, potential or current investors or other stakeholders may elect to engage with our competitors instead. In addition, in the event that we communicate certain initiatives or goals regarding sustainability matters, we could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could be criticized for the scope of such initiatives or goals. If we fail to satisfy the expectations of investors, customers, employees and other stakeholders or our initiatives are not executed as planned, our business, financial condition, results of operations, and prospects could be adversely affected. Alternatively, any negative perceptions of any perceived insufficient or overdone pursuit of any sustainability initiatives could also result in adverse impacts, including potential stakeholder engagement or litigation or other proceedings.

Risks Related to Ownership of Our Class A Common Stock

The dual class structure of our common stock has the effect of concentrating voting control with our Co-Founders and their affiliates, which will limit our other stockholders' ability to influence the outcome of important transactions, including a change in control.

Shares of our Class B Common Stock have ten votes per share and shares of our Class A Common Stock have one vote per share. As of June 30, 2026, stockholders who hold our Class B Common Stock collectively hold approximately 86% of the voting power of our outstanding share capital and entities affiliated with our Co-Founders, Michael Cannon-Brookes and Scott Farquhar, collectively hold substantially all of our Class B Common Stock. The holders of our Class B Common Stock will collectively continue to control a majority of the combined voting power of our capital stock so long as the outstanding shares of our Class B Common Stock represent at least 10% of all shares of our outstanding Class A Common Stock and Class B Common Stock in the aggregate. Therefore, if Messrs. Cannon-Brookes and Farquhar retain a significant portion of their holdings of our Class B Common Stock for the foreseeable future, they will control a significant portion of the voting power of our capital stock and be able to control substantially all matters submitted to our stockholders for approval. This will limit the ability or preclude the ability of our stockholders to influence corporate matters, including the election of directors and the amendments of our organizational documents. This concentrated control may also have the effect of delaying, preventing or deterring a change in control of Atlassian, could deprive our stockholders of an opportunity to receive a premium for their shares as part of a sale of Atlassian and might ultimately affect the market price of our Class A Common Stock.

At times, Messrs. Cannon-Brookes and Farquhar may have interests that differ from holders of our Class A Common Stock and may vote in a way that may be adverse to such interests. As members of our board of directors, and, in Mr. Cannon-Brookes' case, as an executive officer, Messrs. Cannon-Brookes and Farquhar each owe statutory and fiduciary duties to Atlassian and must act in good faith and in a manner they consider would be most likely to promote the success of Atlassian for the benefit of stockholders as a whole. As stockholders, Messrs. Cannon-Brookes and Farquhar are entitled to vote their shares in their own interests, which may not always be in the interests of our stockholders generally.

The market price of our Class A Common Stock is volatile, has fluctuated significantly in the past, and could continue to fluctuate significantly regardless of our operating performance resulting in substantial losses for the holders of our Class A Common Stock.

The trading price of our Class A Common Stock is volatile, has fluctuated significantly in the past, and could continue to fluctuate significantly, regardless of our operating performance, in response to numerous factors, many of which are beyond our control, including:

- guidance regarding our operating results and other financial metrics that we provide to the public, differences between our guidance and market expectations, our failure to meet our guidance, any withdrawal of previous guidance or changes from our historical guidance;
- changes in investor and analyst valuation models for our Class A Common Stock;
- announcements of technological innovations, new applications or enhancements to services, acquisitions, strategic alliances, or significant agreements by us or by our competitors;
- disruptions in our services due to computer hardware, software, or network problems or any announcements related to security incidents;
- announcements of customer additions and customer cancellations or delays in customer purchases;
- recruitment or departure of key personnel;
- the economy as a whole, political and regulatory uncertainty, and market conditions in our industry and the industries of our customers;
- trading activity by directors, executive officers, and significant stockholders, or the perception in the market that the holders of a large number of shares intend to sell their shares;
- any future issuances of our securities; and
- any changes to our Share Repurchase Program (as defined below).

Additionally, the stock markets have at times experienced extreme price and volume fluctuations that have affected and may in the future affect the market prices of equity securities of many companies. These fluctuations have, in some cases, been unrelated or disproportionate to the operating performance of these companies. Further, the trading prices of many technology companies have been particularly volatile and fluctuated in a manner unrelated or disproportionate to the operating performance of those companies.

Large volatilities in the market price of our Class A Common Stock may subject us to securities class action litigation. For example, in February 2023, a purported securities class action complaint was filed against us and certain of our officers in U.S. federal court; this suit was dismissed in August 2024. Similar suits in the future could result in substantial costs and divert our management's attention from other business concerns, which could harm our business.

Substantial future sales of our common stock could cause the market price of our Class A Common Stock to decline.

The market price of our Class A Common Stock could decline as a result of substantial sales of shares of our Class A common stock, particularly sales by our directors, executive officers and significant stockholders, or the perception in the market that holders of a large number of shares intend to sell their shares. As of June 30, 2026, we had 159,268,260 outstanding shares of Class A Common Stock and 94,133,617 outstanding shares of convertible Class B Common Stock. We have also registered shares of Class A Common Stock that we issue under our employee equity incentive plans. These shares may be sold freely in the public market upon issuance.

We cannot guarantee that our Share Repurchase Program will be fully consummated or that it will enhance long-term stockholder value. Repurchases of shares of our Class A Common Stock could also increase the volatility of the trading price of our Class A Common Stock and could diminish our cash reserves.

In October 2025, our board of directors authorized a program under which we may repurchase up to an additional $2.5 billion of our outstanding Class A Common Stock (the "2025 Share Repurchase Program")). The 2025 Repurchase Program commenced in March 2026 following completion of a prior share repurchase program. Under the 2025 Share Repurchase Program, stock repurchases may be made from time to time through open market purchases, in privately negotiated transactions, or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act, in accordance with applicable securities laws and other restrictions. The 2025 Share Repurchase Program does not have a fixed expiration date, may be suspended or discontinued at any time, and does not obligate us to acquire any amount of Class A Common Stock. The timing, manner, price, and amount of any repurchases will be determined by us at our discretion and will depend on a variety of factors, including business, economic and market conditions, prevailing stock prices, corporate and regulatory requirements, and other considerations. We cannot guarantee that the 2025 Share Repurchase Program will be fully consummated or that it will enhance long-term stockholder value. The 2025 Share Repurchase Program could also affect the trading price of our Class A Common Stock and increase volatility, and any announcement of a reduction, suspension or termination of the program may result in a decrease in the trading price of our Class A Common Stock. In addition, repurchasing our Class A Common Stock could diminish our cash and cash equivalents and marketable securities available to fund working capital, repayment of debt, capital expenditures, strategic acquisitions, investments, or business opportunities, and other general corporate purposes.

We do not expect to declare dividends in the foreseeable future.

We currently anticipate that we will retain future earnings for the development, operation, and expansion of our business and to fund our Share Repurchase Program, and do not anticipate declaring or paying any cash dividends for the foreseeable future. As a result, stockholders must rely on sales of their shares of Class A Common Stock after price appreciation, if any, as the only way to realize any future gains on their investment.

Anti-takeover provisions contained in our amended and restated certificate of incorporation, amended and restated bylaws, our Notes, as well as provisions of Delaware law, could impair a takeover attempt.

Our amended and restated certificate of incorporation and amended and restated bylaws contain, and the General Corporation Law of the State of Delaware (the "Delaware General Corporation Law") contains, provisions which could have the effect of rendering more difficult, delaying or preventing an acquisition deemed undesirable by our board of directors. These provisions provide for the following:

- a dual-class structure which provides our holders of Class B Common Stock with the ability to significantly influence the outcome of matters requiring stockholder approval, even if such holders own significantly less than a majority of the shares of our total outstanding stock;

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors to set the size of the board of directors and to elect a director to fill a vacancy, however occurring, including by an expansion of the board of directors, which prevents stockholders from being able to fill vacancies on our board of directors;
- the ability of our board of directors to authorize the issuance of shares of preferred stock and to determine the price and other terms of those shares, including voting or other rights or preferences, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the ability of our board of directors to alter our amended and restated bylaws without obtaining stockholder approval;
- in addition to our board of directors' ability to adopt, amend, or repeal our amended and restated bylaws, our stockholders may adopt, amend, or repeal our amended and restated bylaws only with the affirmative vote of the holders of at least 66 2/3% of the voting power of the outstanding shares of capital stock entitled to vote generally in the election of directors, voting together as a single class;
- the required approval of at least 66 2/3% of the voting power of the outstanding shares of capital stock entitled to vote thereon, voting together as a single class, to adopt, amend, or repeal certain provisions of our amended and restated certificate of incorporation;
- the ability of stockholders to act only at an annual or special meeting of stockholders;
- the requirement that a special meeting of stockholders may be called only by certain specified officers of the Company, a majority of our board of directors then in office or the chairperson of our board of directors;
- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us; and
- the limitation of liability of, and provision of indemnification to, our directors and officers.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management.

In addition, the change in control repurchase event provisions of our Notes may delay or prevent a change in control of the Company, because those provisions allow note holders to require us to repurchase such notes upon the occurrence of a fundamental change or change in control repurchase event. As a Delaware corporation, we are also subject to provisions of the Delaware General Corporation Law, including Section 203 thereof, which prevents some stockholders holding more than 15% of our outstanding common stock from engaging in certain business combinations without approval of the holders of substantially all of our outstanding common stock. Any provision of our amended and restated certificate of incorporation, amended and restated bylaws, Notes or the Delaware General Corporation Law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Our amended and restated certificate of incorporation and amended and restated bylaws provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law.

In addition, as permitted by Section 145 of the Delaware General Corporation Law, our amended and restated bylaws, and our indemnification agreements that we have entered or intend to enter into with our directors and officers provide that:

- we will indemnify our directors and officers to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful;

- we may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law;
- we are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers will undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification;
- the rights conferred in our amended and restated bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees, and agents and to obtain insurance to indemnify such persons, both of which we have done; and
- we may not retroactively amend our amended and restated bylaw provisions to reduce our indemnification obligations to directors, officers, employees, and agents.

While we have procured directors' and officers' liability insurance policies, such insurance policies may not be available to us in the future at a reasonable rate, may not cover all potential claims for indemnification, and may not be adequate to indemnify us for all liability that may be imposed.

Our amended and restated certificate of incorporation and amended and restated bylaws provide for an exclusive forum in the Court of Chancery of the State of Delaware for certain disputes between us and our stockholders, and that the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act.

Our amended and restated certificate of incorporation and amended and restated bylaws provide, that unless we consent in writing to the selection of an alternative forum, (a) the Court of Chancery of the State of Delaware (or, if such court does not have subject matter jurisdiction thereof, the federal district court for the District of Delaware or other state courts of the State of Delaware) will, to the fullest extent permitted by law, be the sole and exclusive forum for: (i) any derivative action, suit or proceeding brought on behalf of the Company, (ii) any action, suit or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer or stockholder to the Company or our stockholders, (iii) any action, suit or proceeding arising pursuant to any provision of the Delaware General Corporation Law or our amended and restated certificate of incorporation or amended and restated bylaws, or (iv) any action, suit or proceeding asserting a claim against the Company that is governed by the internal affairs doctrine; and (b) the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause or causes of action arising under the Securities Act, including all causes of action asserted against any defendant to such complaint. Any person or entity purchasing or otherwise acquiring any interest in any security of the Company will be deemed to have notice of and consented to these provisions. Nothing in our amended and restated certificate of incorporation or amended and restated bylaws precludes stockholders that assert claims under the Exchange Act, from bringing such claims in federal court to the extent that the Exchange Act confers exclusive federal jurisdiction over such claims, subject to applicable law.

We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. If a court were to find the choice of forum provision that is contained in our amended and restated certificate of incorporation or amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could materially adversely affect our business, results of operations, and financial condition. For example, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, there is uncertainty as to whether a court would enforce such a forum selection provision as written in connection with claims arising under the Securities Act.

The choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our current or former director, officer or stockholder to the Company, which may discourage such claims against us or any of our current or former director, officer or stockholder to the Company and result in increased costs for investors to bring a claim.

General Risk Factors

Global economic and political conditions, including macroeconomic and political events, have had, and may continue to have, an adverse impact on our business, results of operations and financial condition.

Global economic and business activities continue to face widespread macroeconomic uncertainties, including market volatility, changes in international economic and trade relations, supply chain disruptions, changes in the labor market, increased energy and commodity price volatility, elevated interest rates and potential increases in inflation, foreign currency exchange rate fluctuations and recession risks, which may continue for an extended period. Additionally, political instability in many parts of the world, including in the United States, Middle East, and Eastern Europe, and changes and uncertainty with respect to trade policies, actual or threatened tariffs, treaties, government regulations, executive orders, directives and enforcement priorities, as well as U.S. federal government shutdowns, have contributed to further disruptions in global trade and have adversely affected, and may continue to adversely affect, the global economy and our business.

The impact our customers or potential customers experience from global economic and geopolitical volatility adversely affects demand for our offerings. Our future revenues rely on continued demand by existing customers and the acquisition of new customers. Current global economic and business uncertainty could cause customers to reduce the number of personnel providing development or engineering services and decrease technology spending. Changes in the macro IT spending environment may cause similar effects as well. We may see declines in expected spending from new customers or renewals and reductions in paid seats from existing customers. There may also be negative impacts to collections of accounts receivable. Some customers, particularly our small- and medium-sized customers, may reduce or delay spending, request extended payment terms or concessions, or even file for bankruptcy protection or go out of business. We may also experience elongated sales cycles, budget cuts and freezes, delays in project implementation, and increased pricing pressure from our enterprise or larger-sized customers. Any of these impacts could harm our business, results of operations, and financial condition, and also negatively impact our ability to forecast our future results.

The extent to which global economic and geopolitical factors ultimately impact our business, results of operations, and financial position will depend on future developments, which are uncertain and cannot be fully predicted at this time. There have been periods when our revenue growth rate declined, which may occur again in the future, and we have experienced volatility in the trading prices for our Class A Common Stock, which may continue in the long term. Any sustained adverse impacts from these and other macroeconomic events could materially and adversely affect our business, financial condition, operating results, and earnings guidance that we may issue from time to time, which could have a material effect on the value of our Class A Common Stock. They could also heighten many of the other risks described in this “Risk Factors” section.

Our global operations subject us to risks that can harm our business, results of operations, and financial condition.

A key element of our strategy is to operate globally and sell our offerings to customers around the world. Operating globally requires significant resources and management attention and subjects us to regulatory, economic, geographic, and political risks. In particular, our global operations subject us to a variety of additional risks and challenges, including:

- increased management, travel, infrastructure, and legal compliance costs associated with having operations in many countries;
- difficulties in enforcing contracts, including “clickwrap” contracts that are entered into online, of which we have historically relied as part of our product licensing strategy, but which may be subject to additional legal uncertainty in some foreign jurisdictions;
- increased financial accounting and reporting burdens and complexities;
- requirements or preferences within other regions for domestic products, and difficulties in replacing products offered by more established or known regional competitors;
- differing technical standards, existing or future regulatory and certification requirements, and required features and functionality;
- communication and integration problems related to entering and serving new markets with different languages, cultures, and political systems;
- compliance with foreign privacy and security laws and regulations and the risks and costs of non-compliance;
- compliance with laws and regulations for foreign operations, including anti-bribery laws (such as the U.S. Foreign Corrupt Practices Act, the U.S. Travel Act, and the UK Bribery Act), import and export control laws,

tariffs, trade barriers, economic sanctions, and other regulatory or contractual limitations on our ability to sell our offerings in certain foreign markets, and the risks and costs of non-compliance;

- heightened risks of unfair or corrupt business practices in certain geographies that may impact our financial results and result in restatements of our consolidated financial statements;
- fluctuations in currency exchange rates, interest rates, and related effects on our results of operations;
- difficulties in repatriating or transferring funds from, or converting currencies in certain countries;
- weak economic conditions in any country or region in which we operate or sell our offerings, including due to rising inflation or hyperinflation, and related interest rate increases;
- geopolitical and economic risks relating to general political and economic instability around the world, including in the Middle East and Ukraine, and uncertainty regarding or any impacts from the imposition of and changes in trade policies, including trade wars, tariffs or other trade restrictions or the threat of such actions;
- differing labor standards, including restrictions related to, and the increased cost of, terminating employees in some countries;
- difficulties in recruiting and hiring employees in certain countries;
- the preference for localized software and licensing programs and localized language support;
- reduced protection for intellectual property rights in some countries and practical difficulties associated with enforcing our legal rights abroad;
- impacts of pandemics or public health emergencies; and
- compliance with the laws of numerous foreign taxing jurisdictions, including withholding obligations, and overlapping of different tax regimes.

Compliance with laws and regulations applicable to our global operations substantially increases our cost of doing business in foreign jurisdictions. We may be unable to keep current with changes in government requirements as they change from time to time. Failure to comply with these laws and regulations could harm our business. In many countries, it is common for others to engage in business practices that are prohibited by our internal policies and procedures or other regulations applicable to us. Although we have implemented policies and procedures designed to ensure compliance with these regulations and policies, there can be no assurance that all of our employees, contractors, business partners and agents will comply with these regulations and policies. Violations of laws, regulations or key control policies by our employees, contractors, business partners, or agents could result in delays in revenue recognition, financial reporting misstatements, enforcement actions, reputational harm, disgorgement of profits, fines, civil and criminal penalties, damages, injunctions, other collateral consequences, or the prohibition of the importation or exportation of our offerings and could harm our business, results of operations, and financial condition.

We depend on our executive officers and other key employees and the loss of one or more of these employees or the inability to attract and retain highly skilled employees could harm our business.

Our success depends largely upon the continued services of our executive officers and key employees. We rely on our leadership team and other key employees in the areas of research and development, products, strategy, operations, security, go-to-market, marketing, IT, support, and general and administrative functions. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. For example, our former President, Chief Financial Officer and Chief Technology Officer stepped down from their respective executive officer roles in fiscal year 2026. We do not have employment agreements with our executive officers or other key personnel that require them to continue to work for us for any specified period and, therefore, they are able to terminate their employment with us at any time. The loss of one or more of our executive officers, especially our Chief Executive Officer, or other key employees may harm our business.

In addition, in order to execute our growth plan, we must attract and retain highly qualified personnel. For example, we hired a new Chief Revenue Officer in fiscal year 2025, a new Chief Product and AI Officer and new Chief Financial Officer in fiscal year 2026, and a new Chief Product Officer—Enterprise & Emerging in fiscal year 2027. Competition for highly qualified personnel is intense, and many of the companies with which we compete for

experienced personnel have greater resources than we have. We have from time to time experienced, and we expect to continue to experience, difficulty hiring and retaining employees with appropriate qualifications. In particular, recruiting and hiring senior product engineering personnel, especially those with experience in designing and developing software and cloud-based services or with AI and machine learning backgrounds, has been, and we expect it to continue to be, challenging. If we are unable to hire and retain talented product engineering personnel, we may be unable to scale our operations or release new apps, agents, or products in a timely fashion and, as a result, customer satisfaction with our apps, agents or products may decline. Furthermore, as we hire employees from competitors or other companies, prior employers may attempt to assert that the employees or we have breached certain legal obligations, resulting in a diversion of our time and resources.

Any reorganizational or rebalancing efforts we conduct, such as the ones in fiscal years 2023 and 2026, may have an adverse effect on our ability to attract and retain employees. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. We have experienced large fluctuations in our stock price since the end of fiscal year 2021. If the value or perceived value of our equity awards declines, it could harm our ability to recruit and retain highly skilled employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business, results of operations and financial condition could be harmed.

Catastrophic events may disrupt our business.

Natural disasters, pandemics, other public health emergencies, geopolitical conflicts, social or political unrest, or other catastrophic events may cause damage or disruption to our operations, international commerce, and the global economy, and thus could harm our business. We have a large employee presence and operations in Australia and the San Francisco Bay Area of California. Australia has experienced significant wildfires and flooding that have impacted our employees. The west coast of the United States contains active earthquake zones and is often at risk from wildfires. In the event of a major earthquake, hurricane, typhoon or catastrophic event such as fire, power loss, telecommunications failure, cyber-attack, war or terrorist attack in any of the regions or localities in which we operate, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our application development, lengthy interruptions in our product availability, breaches of data security and loss of critical data, all of which could harm our business, results of operations and financial condition.

Additionally, we rely on our network and suppliers of third-party infrastructure and applications, internal technology systems, and our websites for our development, marketing, internal controls, operational support, hosted services, and sales activities. If these systems were to fail or be negatively impacted as a result of a malfunction, natural disaster, disease or pandemic, or catastrophic event, our ability to conduct normal business operations and deliver our offerings to customers could be impaired.

As we grow our business, the need for business continuity planning and disaster recovery plans will grow in significance. If we are unable to develop adequate plans to ensure that our business functions continue to operate during and after a disaster, disease or pandemic, or catastrophic event, or if we are unable to successfully execute on those plans, our business and reputation could be harmed.

Climate change may have a long-term impact on our business.

The long-term effects of climate change on the global economy and the technology industry in particular are unclear. Nevertheless, we recognize that there are inherent climate-related risks wherever business is conducted, including both physical and transition risks. Physical risks, including but not limited to the increasing frequency of extreme weather events and their impact on critical infrastructure in the United States, Australia and elsewhere, have the potential to disrupt our businesses, our employees, our third-party suppliers (including the third-party cloud infrastructure providers and data centers on which our products depend), and/or the businesses of our customers, and may cause us to experience extended product downtimes, higher attrition, and losses and additional costs to maintain and resume operations.

The global transition to a lower-emissions economy may also give rise to transition-related risks, including the introduction or expansion of climate-related laws and regulations, the emergence or expansion of carbon pricing mechanisms, increased costs of energy and cloud infrastructure, changing customer and stakeholder expectations, and shifts in market or stakeholder behavior related to climate change. These transition-related risks could increase our operating costs, including the costs we incur from our third-party cloud infrastructure providers, and could otherwise adversely affect our business, results of operations, and financial condition. Additionally, expanding AI workloads and inference scaling require significant data center capacity and energy consumption across our value

chain; volatility in energy markets, power grid disruptions, or carbon-pricing mechanisms could increase the costs passed through by our third-party cloud infrastructure providers.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program includes a cybersecurity incident response plan.

We design and assess our program based on the National Institute of Standards and Technology Cybersecurity Framework ("NIST CSF") and Secure Software Development Framework ("SSDF"). This does not imply that we meet any particular technical standards, specifications, or requirements; we use NIST CSF and SSDF as guides to help us identify, assess, and manage risks from cybersecurity threats relevant to our business.

Cybersecurity risks are incorporated into our overall enterprise risk management program. Our Chief Technology Officer – Enterprise, Chief Trust Officer ("CTrO") reports to our Chief Executive Officer and oversees our trust and overarching security strategy. Our Chief Information Security Officer ("CISO") reports to our CTrO and oversees the technical identification, assessment and management of cybersecurity risks relevant to our business.

Our cybersecurity risk management program includes, among other elements:

- Risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise IT environment.
- A Security team, principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents.
- The use of external service providers, where appropriate, to assess, test, respond to or otherwise assist with aspects of our security controls, as well as maturity assessments of our cybersecurity program.
- Implementation of new hire and annual data privacy and cybersecurity training of all employees, including senior management; annual role-based training for employees in specific incident response roles, as well as for employees with specific access to systems, devices, or locations, and targeted cybersecurity incident simulation training held on a recurring basis.
- Incident response playbooks and standard operating procedures outlining procedures for detecting, responding to, and mitigating cybersecurity incidents. Depending on the nature and severity of an incident, responses may involve escalating notification to our Chief Executive Officer and our board of directors.
- Post-incident reviews are conducted for major incidents, and to determine steps that may be taken to mitigate identified risks and reduce the likelihood of reoccurrence.
- Internal policies designed to protect our systems and operations, including (1) a data classification and labelling standard to evaluate the confidentiality level of internal information, (2) a cloud continuity policy to address experience disruption for cloud customers, and (3) a business resilience policy to provide a framework for operations during and after disruption events.
- A third-party risk management process for service providers, suppliers, and vendors. Such service providers are subject to risk tiering, security risk assessments, and recurring reviews, as applicable. When third-party provider incidents occur, we assess their materiality to our operations and investigate accordingly.
- Atlassian holds the following compliance certifications/attestations: ISO 27001, ISO 27018, ISO 22301, SOC 1, SOC 2, HIPAA, IRAP, and BSI C5.

We describe whether and how risks from identified cybersecurity threats, including as a result of any previous cybersecurity incidents, whether individually or in the aggregate, have materially affected or are reasonably likely to materially affect us, our business, and our results of operations in Part I, Item 1A in this Annual Report on Form 10-K, which disclosures are incorporated by reference herein.

Cybersecurity Governance

Our board of directors considers cybersecurity risk as part of its risk oversight function and has delegated to its audit committee (the "Audit Committee") oversight of cybersecurity and other information technology risks. The Audit Committee oversees management's implementation of our cybersecurity risk management program, and it reports to the full board of directors regarding its activities, including those related to cybersecurity. Our CTrO and CISO provide updates on significant risks to the Audit Committee quarterly and also provide updates to the full board of directors at least biannually. Outside of regular meetings, depending on the nature and severity of an incident, our CTrO and CISO will also inform the Audit Committee, Chief Executive Officer, and the rest of the board of directors of significant cybersecurity incidents.

Our CTrO leads our Trust and Security organization, focusing on maintaining customer trust and overseeing the overall security posture of the company. The CTrO's role involves managing cybersecurity risks and reviewing whether the company's security practices align with customer expectations and industry standards. Our CISO leads our Security organization and is responsible for all security-related activities and controls at Atlassian. This includes defining the security strategy, developing, and enforcing security standards, and managing security technologies. The CISO also oversees security operations, incident response, and oversees compliance with applicable legal and regulatory requirements. Our CTrO has served in his role since October 2023 and has experience in the cybersecurity space, including previously serving as Chief Trust Officer of a large publicly-traded enterprise software company. Our CISO has served in his role since December 2024 and also has experience in cybersecurity, including serving as Chief Information Security Officer of a large publicly-traded enterprise software company. Our CTrO and CISO oversee our efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal personnel, threat intelligence, and other information obtained from governmental, public, or private sources, including external consultants engaged by us, and alerts and reports produced by security tools deployed in the IT environment.

Within the Trust and Security organizations, we implement a structured approach to proactively manage cybersecurity risks. Our Security Governance, Risk and Compliance team monitors, assesses, and coordinates proactive identification and remediation efforts for cybersecurity risks impacting Atlassian. This team partners cross-functionally with others in the Security organization and individuals from our legal, internal audit, engineering, and product development teams. Our Security team includes individuals with experience across a broad range of cybersecurity areas, including, but not limited to: product security; cloud security; infrastructure security; security monitoring and incident response; identity and access management; vulnerability management; and governance, risk, and compliance.

ITEM 2. PROPERTIES

As of June 30, 2026, our principal offices consist of approximately 146,000 and 122,000 square feet of leased office facilities in Sydney, Australia and the San Francisco Bay Area, California, United States, respectively. Excluded from this amount is approximately 7,000 square feet and 132,000 square feet in Sydney, Australia and the San Francisco Bay Area, California, United States, respectively, currently subleased or available to sublease. We also lease other office facilities in the United States and Australia, as well as a number of countries in Europe and Asia. We believe that our existing facilities and offices are adequate to meet our current requirements.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we are party to litigation and other legal proceedings in the ordinary course of business. While we do not believe the ultimate resolutions of these pending legal matters are likely to have a material adverse effect on our financial position, the results of any litigation or other legal proceedings are uncertain and as such the resolution of such legal proceedings, either individually or in the aggregate, could have a material adverse effect on our business, results of operations, financial condition or cash flows. We accrue for loss contingencies when it is both probable that we will incur the loss and when we can reasonably estimate the amount of the loss or range of loss.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Price of Our Class A Common Stock

Our Class A Common Stock is traded on The Nasdaq Global Select Market under the symbol "TEAM." Our Class B Common Stock is neither listed nor traded.

Stockholders

As of June 30, 2026, there were ten stockholders of record of our Class A Common Stock, including The Depository Trust Company, which holds shares of our Class A Common Stock on behalf of an indeterminate number of beneficial owners. As of June 30, 2026, there were three stockholders of record of our Class B Common Stock.

Dividends

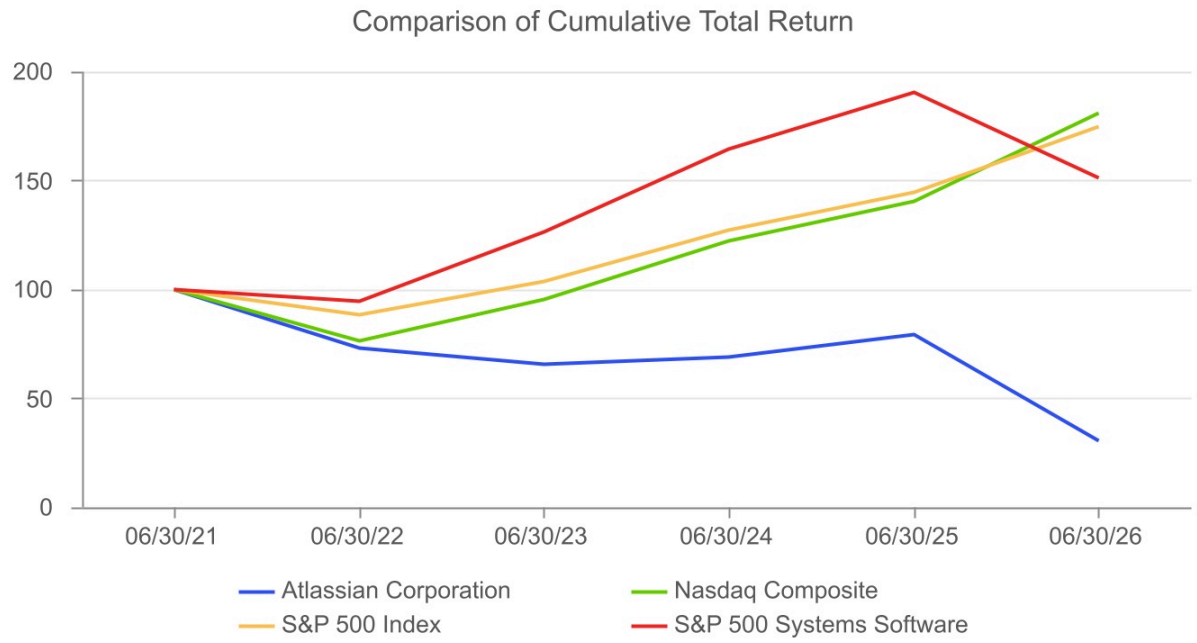
While we have in the past paid limited dividends, we do not have any present or future plan to pay dividends on our shares. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors, subject to applicable laws, and will depend on then existing conditions, including our financial condition, results of operations, contractual restrictions, capital requirements, general business conditions, business prospects and other factors our board of directors may deem relevant.

Stock Performance Graph

This performance graph shall not be deemed "soliciting material" or to be "filed" with the SEC, for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that section, and shall not be deemed incorporated by reference into any of our other filings under the Securities Act or the Exchange Act except to the extent we specifically incorporate it by reference into such filing.

The graph below compares the cumulative total stockholder return on our Class A Common Stock with the cumulative total return on the Nasdaq Composite Index, S&P 500 Index, and the S&P 500 Systems Software Index for each of the last five fiscal years ended June 30, 2021 through June 30, 2026, assuming an initial investment of $100. Data for the Nasdaq Composite Index, the S&P 500 Index, and the S&P 500 Systems Software Index assume reinvestment of dividends.

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



	June 30,					
	2021	2022	2023	2024	2025	2026
Atlassian Corporation	$ 100	$ 72.96	$ 65.33	$ 68.86	$ 79.07	$ 30.28
Nasdaq Composite	100	76.04	95.06	122.26	140.44	180.74
S&P 500 Index	100	88.08	103.56	127.06	144.39	174.51
S&P 500 Systems Software	100	94.38	126.20	164.09	190.30	151.22

Issuer Purchases of Equity Securities

Share repurchases of our Class A Common Stock for the three months ended June 30, 2026 were as follows (in thousands, except for average price paid per share):

	Total Number of Shares Purchased (1)	Average Price Paid Per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (3)
April 2026	2,561	$ 66.54	2,561	$ 2,045,807
May 2026	1,077	86.97	1,077	1,952,182
June 2026	1,000	$ 83.57	1,000	$ 1,868,609
Total	4,638		4,638	

(1) In October 2025, the Board of Directors authorized a program under which the Company may repurchase up to $2.5 billion of the Company's outstanding Class A Common Stock (the "2025 Repurchase Program")). The 2025 Repurchase Program commenced in March 2026 following completion of the Company's prior share repurchase program.

(2) Average price paid per share includes costs associated with the repurchases, when applicable.

(3) Amounts presented exclude the 1% stock repurchase excise tax instituted under the Inflation Reduction Act.

ITEM 6. RESERVED

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This section of our Annual Report on Form 10-K discusses our financial condition and results of operations for fiscal years 2026 and 2025, and year-to-year comparisons between fiscal years 2026 and 2025, in accordance with U.S. generally accepted accounting principles ("GAAP"). A discussion of our financial condition and results of operations for the fiscal year 2024 and year-to-year comparisons between fiscal years 2025 and 2024 that is not included in this Annual Report on Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended 2025, filed on August 15, 2025.

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes appearing under "Financial Statements and Supplementary Data" in Item 8 in this Annual Report on Form 10-K. As discussed in the section titled "Forward-Looking Statements," the following discussion and analysis contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the section titled "Risk Factors" under Part I, Item 1A in this Annual Report on Form 10-K.

Overview

Our mission is to unleash the potential of every team.

Atlassian's team collaboration software enables organizations to connect all teams through a system of work that unlocks productivity at scale.

Our deeply interconnected portfolio of apps, AI agents, and Collections, each with discrete value propositions, delivers solutions for software teams, IT operations and support teams, leadership and business teams. As an AI-first company, we have embedded AI capabilities across every surface of our platform, enabling organizations to orchestrate work effectively across both human and AI teammates. These apps, agents, and Collections are all built on the Atlassian Cloud Platform and data model: a common technology foundation that seamlessly connects teams, information, context, and workflows throughout an organization.

We generate revenues primarily in the form of subscription fees. Subscription revenues consist primarily of fees earned from subscription-based arrangements for providing customers the right to use our software apps in a cloud-based infrastructure that we provide ("Cloud offerings"). We also sell on-premises term license agreements for our Data Center products ("Data Center offerings"), consisting of software licensed for a specified period and support and maintenance services that are bundled with the license for the term of the license period. Subscription revenues also include subscription-based agreements for our premier support services. From time to time, we make changes to our apps and product offerings, prices, and pricing plans for our offerings, which may impact the growth rate of our revenue, and our deferred revenue balances, remaining performance obligations, and customer retention. Subscription revenue, through our Cloud and Data Center offerings, results in a large recurring revenue base.

In September 2025, we announced plans to end-of-life our Data Center offering. As of March 2026, we no longer sell term licenses to new customers, and we will stop selling term licenses and expansions to existing customers in March 2028. Subject to limited exceptions, we also plan to end maintenance and support for on-premises versions of our products in March 2029. In order to support customers who face unique requirements or challenges, we will offer an approximately three-year extended maintenance period for certain customers.

In the second quarter of fiscal year 2026, we completed the acquisitions of The Browser Company of New York Inc. ("BCNY") and A Software Company ("DX"). We believe integrating these technologies into our offerings will enhance customer value. BCNY has built a browser for enterprises optimized for SaaS applications in the AI-era. DX offers market-leading engineering intelligence that provides leaders with data-driven insights to understand how their investments are helping teams accelerate and improve their work and enhances the value of the offerings in our Collections.

Economic Conditions

Our results of operations may vary based on the impact of changes in the global economy on us or our customers. Our business depends on demand for business software applications generally and for collaboration software solutions in particular. We are subject to risks and exposures from the evolving macroeconomic environment, inflationary pressures, interest rate policy, changes in trade policies, political instability, and geopolitical tensions. We monitor the direct and indirect impacts of these circumstances on our business and financial results. The extent to which these risks ultimately impact our business, results of operations, and financial position will depend on future developments, which are uncertain and cannot be predicted at this time.

Restructuring

During the first quarter of fiscal year 2026, we initiated a restructuring plan to reduce capacity that was no longer necessary due to the increased ability, accessibility, performance, stability, and supportability of our products.

During the third quarter of fiscal year 2026, we initiated another restructuring plan to accelerate building the future of teamwork in the AI era. This includes self-funding further investment in key strategic priorities, such as AI and enterprise sales, reorganizing our teams to move with more focus and speed across the Atlassian System of Work, and optimizing for long-term operational efficiency and sustainability. This initiative resulted in the elimination of certain roles, which impacted approximately 10% of our workforce.

The execution of these actions, including cash payment of the severance and other termination benefits related liabilities, have been substantially satisfied as of June 30, 2026.

As a result, we recorded total severance and other termination benefits of $203.9 million, and additional stock-based compensation of $1.4 million for the affected employees during fiscal year 2026.

In addition, we exited certain leased properties to optimize our real estate footprint and have entered, or plan to enter, into sublease agreements for these locations. As a result, we recorded total impairment charges for the related operating lease right-of-use assets and leasehold improvements of $80.0 million for the fiscal year ended 2026.

A summary of our restructuring charges for fiscal year 2026, by major activity type was as follows (in thousands):

	Severance and Other Termination Benefits	Stock-based Compensation	Lease Consolidation	Total
Cost of revenue	$ 45,185	$ 1,432	$ 6,647	$ 53,264
Research and development	108,844	—	35,650	144,494
Marketing and sales	25,110	—	26,421	51,531
General and administrative	24,778	—	11,303	36,081
Total	$ 203,917	$ 1,432	$ 80,021	$ 285,370

Refer to Note 14, “*Restructuring*,” in the notes of our consolidated financial statements for additional information.

Key Business Metrics

We utilize the following key metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions.

Customer Base

We have a history of successfully growing both our total customer base and the spend per customer through growth in users, higher average price per user, and adoption of new apps or products. We believe our ability to attract new customers is critical, and expanding within the existing customer base is the primary driver of our success as a business. Typically, new customers begin their journey with Atlassian with a small footprint by either adopting our free editions or purchasing a single app or product for a limited number of users. We are focused on continuing to grow our total customer base, specifically the number of customers with more than $10,000 in annualized recurring revenue from our Cloud offerings (“Cloud ARR”), as it measures our ability to successfully expand within our existing customer base.

We define the number of total customers at the end of any particular period as the number of organizations with unique domains with an active subscription for two or more seats. We define the number of customers with Cloud ARR greater than $10,000 using the same definition as total customers with the distinction of having an active Cloud subscription and greater than $10,000 in Cloud ARR. We define Cloud ARR as the annualized recurring revenue run-rate of Cloud subscription agreements at a point in time. We calculate Cloud ARR by taking the Cloud monthly recurring revenue ("Cloud MRR") run-rate 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. Cloud ARR and Cloud 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. While a single customer may have distinct departments, operating segments, or subsidiaries with multiple active licenses or subscriptions of our apps, if the app deployments share a unique domain name, we only include the customer once for purposes of calculating a customer.

As of June 30, 2026, we had more than 350,000 customers. If we include single-user accounts and organizations that have only adopted our free or starter offerings, the active use of our offerings extends well beyond our total customer base. Through the extensive use of our software, we are able to reach a vast number of users, gather insights to refine our offerings, and generate growing revenue by expanding within our total customer base. Customers with greater than $10,000 in Cloud ARR represent the majority of our Cloud revenue. No single customer contributed more than 5% of our total revenues during fiscal year 2026.

The following table sets forth our number of customers with greater than $10,000 in Cloud ARR as of the dates presented:

	As of		
	June 30, 2024	June 30, 2025	June 30, 2026
Number of customers with greater than $10,000 in Cloud ARR	45,842	51,978	57,334

Subscription ARR

Subscription ARR is the annual recurring revenue from subscription agreements to our Cloud and Data Center offerings at a point in time. It reflects the annualized value of active subscriptions, including recurring revenue from upgrades and add-ons, but excludes one-time fees. For monthly subscriptions, ARR is calculated by multiplying monthly recurring revenue by 12. ARR should be viewed independently of revenue and does not represent our revenue under GAAP, as it is an operational metric that can be affected by contract start and end dates, renewal rates, and the timing of invoices. Subscription ARR as of June 30, 2026 and 2025 were $6,606 million and $5,382 million, respectively.

Free Cash Flow

Free cash flow is a non-GAAP financial measure that we calculate as net cash provided by operating activities less net cash used in investing activities for capital expenditures. Management considers free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by our business that can be used to fund our commitments, repay our debt, and for strategic opportunities, such as reinvesting in our business, making strategic acquisitions, and strengthening our financial position. Free cash flow is not a measure calculated in accordance with GAAP and should not be considered in isolation from, or as a substitute for financial information prepared in accordance with GAAP, such as GAAP net cash provided by operating activities. In addition, free cash flow may not be comparable to similarly titled metrics of other companies due to differences in the methods of calculation. The following table presents a reconciliation of net cash provided by operating activities to free cash flow for the periods presented (in thousands):

	Fiscal Year Ended June 30,	
	2026	2025
Net cash provided by operating activities	$ 1,353,135	$ 1,460,393
Less: Capital expenditures	(34,060)	(44,850)
Free cash flow	$ 1,319,075	$ 1,415,543

Free cash flow decreased by $96.5 million for fiscal year 2026 compared to fiscal year 2025. The decrease in free cash flow was primarily attributable to a decrease in net cash provided by operating activities. The decrease in net cash provided by operating activities was primarily driven by an increase in cash paid to employees, including

payments made under restructuring plans, vendors, and a decrease in interest received, partially offset by an increase in cash received from customers.

For more information about net cash provided by operating activities, please see “Liquidity and Capital Resources.”

Components of Results of Operations

Sources of Revenues

Subscription Revenues

Subscription revenues consist primarily of fees earned from subscription-based arrangements for providing customers the right to use our software in a cloud-based-infrastructure that we provide. We also sell on-premises term license agreements for our Data Center offerings, which consist of software licensed for a specified period and include support and maintenance services that are bundled with the license for the term of the license period. Subscription revenues also include subscription-based agreements for our premier support services. Subscription revenues are driven primarily by the number and size of active licenses, the type of deployment, and the price of the licenses. Our subscription-based arrangements generally have a contractual term of one to twelve months. For Cloud offerings, subscription revenue is recognized ratably as services are performed, commencing with the date the service is made available to customers. For Data Center offerings, we recognize revenue upfront for the portion that relates to the delivery of the term license, and the support and related revenue is recognized ratably as the services are delivered over the term of the arrangement. Premier support consists of subscription-based arrangements for a higher level of support across different deployment options, and revenue is recognized ratably as the services are delivered over the term of the arrangement.

In September 2025, we announced plans to end-of-life our Data Center offering. As of March 2026, we no longer sell term licenses to new customers, and we will stop selling term licenses and expansions to existing customers in March 2028. Subject to limited exceptions, we plan to end maintenance and support for these on-premises versions of our products in March 2029.

We expect subscription revenue, specifically from our Cloud offerings, to increase and continue to be our primary driver of revenue growth. We expect our revenue to fluctuate quarterly and within our quarterly financial results based on customer buying patterns.

Other Revenues

Other revenues primarily include fees received for sales of third-party apps in the Atlassian Marketplace. Advisory services and training services are also included in other revenues. Revenues from the sale of third-party apps via Atlassian Marketplace is recognized on the date of product delivery given that all of our obligations have been met at that time and on a net basis as we function as the agent in the relationship. Revenues from advisory services is recognized over the time period that the customer has access to the service. Revenues from consulting and training is recognized over time as the services are performed.

Cost of Revenues

Cost of revenues primarily consists of expenses related to third-party hosting fees, including expenses related to our Cloud infrastructure and AI inference incurred through our customer’s usage of our AI tools, compensation expenses for our employees, including stock-based compensation, amortization of acquired intangible assets, such as the amortization of the cost associated with an acquired company’s developed technology, payment processing fees, consulting and contractors costs associated with our customer support and infrastructure service teams, and facilities and related overhead costs.

We expect cost of revenues to increase as we continue to invest in our cloud-based infrastructure and AI to support our Cloud customers and their related AI usage.

We allocate stock-based compensation based on the expense category in which the employee works. We allocate overhead such as information technology costs, rent and occupancy charges in each expense category based on headcount in that category. As such, general overhead expenses are reflected in cost of revenues and operating expense categories.

Gross Profit and Gross Margin

Gross profit is total revenues less total cost of revenues. Gross margin is gross profit expressed as a percentage of total revenues. Gross margin can fluctuate from period to period as a result of changes in product mix.

We expect gross margin to decline slightly, driven by the mechanical drag on total revenue growth in fiscal year 2027 as we lap the greater upfront term license revenue recognized in fiscal year 2026, revenue mix shift from Data Center offerings to Cloud offerings and increases in cost of revenues to support our increasing number of Cloud customers and their related AI usage, partially offset by the continued optimization of our Cloud infrastructure and support costs.

Operating Expenses

Our operating expenses are classified as research and development, marketing and sales, and general and administrative. For each functional category, the largest component is compensation expenses, which include salaries, bonuses, stock-based compensation, and employee benefit costs.

Research and Development

Research and development expenses consist primarily of compensation expenses for our employees, including stock-based compensation, facilities and related overhead costs, third-party hosting fees, including expenses related to our Cloud infrastructure and AI inference, and consulting and contractor costs associated with our software development teams. We continue to focus our research and development efforts on building new apps and AI agents, adding new features and services, integrating acquired technologies, increasing functionality, enhancing our Cloud infrastructure, and advancing our artificial intelligence capabilities.

Marketing and Sales

Marketing and sales expenses consist primarily of compensation expenses for our employees, including stock-based compensation, marketing and sales program expenses, consulting and contractor costs, facilities and related overhead costs, and certain IT program expenses. Marketing programs consist of advertising, promotional events, such as user conferences, sponsorships, corporate communications, brand building, and marketing activities such as online lead generation. Sales programs consist of activities and teams focused on direct sales to customers, supporting our solution partners and resellers, tracking channel sales activity, supporting and servicing our customers by helping them optimize their experience and expand the use of our offerings across their organizations, and helping product evaluators learn how they can use our tools most effectively.

General and Administrative

General and administrative expenses consist primarily of compensation expenses for our employees, including stock-based compensation, for finance, legal, human resources and information technology personnel, facilities and related overhead costs, consulting and contractor costs, certain IT program expenses, and other corporate expenses.

Income Taxes

Provision for income taxes consists primarily of income taxes related to federal, state, and foreign jurisdictions where we conduct business.

Critical Accounting Estimates

Our consolidated financial statements have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported revenues and expenses during the reporting periods. These items are monitored and analyzed by us for changes in facts and circumstances, and material changes in these estimates could occur in the future. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Changes in estimates are reflected in reported results for the period in which they become known. Actual results may differ from these estimates under different assumptions or conditions and such differences could be material.

While our significant accounting policies are more fully described in Note 2, *"Summary of Significant Accounting Policies"* to the notes to our consolidated financial statements, the following accounting policies involve

a greater degree of judgment and complexity. Accordingly, these are the accounting policies that we believe are the most critical to aid in fully understanding and evaluating our financial condition and results of operations.

Revenue Recognition

Our contracts with customers often include promises to transfer multiple products and services to a customer.

We allocate the transaction price for each contract to each performance obligation based on the relative standalone selling price ("SSP") for each performance obligation. We use judgment in determining the SSP for products and services. We typically determine an SSP range for our products and services, which is reassessed on a periodic basis or when facts and circumstances change. When observable prices are available for products or services sold separately in comparable circumstances to similar customers, we use those prices to determine SSP. In instances where performance obligations do not have observable standalone sales, we utilize available information that may include market conditions, pricing strategies, the life of the software, and other observable inputs to estimate the price we would charge if the products and services were sold separately.

Business Combinations

The allocation of the purchase price in a business combination requires management to make significant estimates in determining the fair value of acquired assets and assumed liabilities, especially with respect to intangible assets. The excess of the purchase price in a business combination over the fair value of these tangible and intangible assets acquired and liabilities assumed is recorded as goodwill. Critical assumptions used to estimate the fair value of intangible assets include forecasted revenue, revenue growth rate, and discount rate. These assumptions are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. We evaluate these estimates and assumptions as new information is obtained and may record adjustments to the fair value of the tangible and intangible assets acquired and liabilities assumed, but not later than one year from the acquisition date.

Income Taxes

We account for income taxes using the asset and liability method. We recognize deferred tax assets and liabilities for the future tax consequences attributable to (i) temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and (ii) operating loss and tax credit carryforwards. Deferred tax assets are recognized subject to management's judgment that realization is more likely than not applicable to the periods in which we expect the temporary difference will reverse. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Valuation allowances are established when necessary to reduce deferred tax assets to the amounts that are more likely than not expected to be realized. Future realization of deferred tax assets ultimately depends on the existence of sufficient taxable income within the carryback or carryforward periods available under the applicable tax law. We regularly review the deferred tax assets for recoverability based on historical taxable income, projected future taxable income, the expected timing of the reversals of existing temporary differences and tax planning strategies. Our judgment regarding future profitability may change due to many factors, including future market conditions and the ability to successfully execute our business plans and tax planning strategies. Should there be a change in the ability to recover deferred tax assets, our income tax provision would increase or decrease in the period in which the assessment is changed.

In the multiple tax jurisdictions in which we operate, our tax returns are subject to routine audit by the Internal Revenue Service, Australian Taxation Office ("ATO"), and other taxation authorities. These audits at times may produce alternative views regarding certain tax positions taken in the year(s) of review. As a result, we record uncertain tax positions, which require recognition at the time when it is deemed more likely than not that the position in question will be upheld. Although management believes that the judgment and estimates involved are reasonable and that the necessary provisions have been recorded, changes in circumstances or unexpected events could adversely affect our financial position, results of operations, and cash flows.

New Accounting Pronouncements Pending Adoption

The impact of recently issued accounting standards is set forth in Note 2, "*Summary of Significant Accounting Policies*,*"* of the notes to our consolidated financial statements.

Results of Operations

The following table sets forth our results of operations for the periods indicated (in thousands, except for percentages of total revenues):

	Fiscal Year Ended June 30,			
	2026	% of Total Revenues	2025	% of Total Revenues
Revenues:				
Subscription	$ 6,262,194	95 %	$ 4,930,604	95 %
Other	310,114	5	284,700	5
Total revenues	6,572,308	100	5,215,304	100
Cost of revenues	996,830	15	894,851	17
Gross profit	5,575,478	85	4,320,453	83
Operating expenses:				
Research and development	3,269,257	50	2,669,312	51
Marketing and sales	1,541,178	24	1,134,535	22
General and administrative	754,688	11	646,998	12
Total operating expenses	5,565,123	85	4,450,845	85
Operating income (loss)	10,355	—	(130,392)	(2)
Other expense, net	(8,565)	—	(50,277)	(1)
Interest income	69,710	1	112,324	2
Interest expense	(49,450)	(1)	(30,550)	(1)
Income (loss) before income taxes	22,050	—	(98,895)	(2)
Provision for income taxes	(75,878)	(1)	(157,792)	(3)
Net loss	$ (53,828)	(1)%	$ (256,687)	(5)%

Fiscal Years Ended June 30, 2026 and 2025

Revenues

	Fiscal Year Ended June 30,			
(in thousands, except percentage data)	2026	2025	$ Change	% Change
Subscription	$ 6,262,194	$ 4,930,604	$ 1,331,590	27 %
Other	310,114	284,700	25,414	9
Total revenues	$ 6,572,308	$ 5,215,304	$ 1,357,004	26 %

Total revenues increased $1.4 billion, or 26%, in fiscal year 2026 compared to fiscal year 2025. Growth in total revenues was primarily attributable to increased demand for our offerings from existing customers. Of total revenues recognized in fiscal year 2026, over 90% was attributable to sales to customer accounts existing on or before June 30, 2025.

Subscription revenues increased $1.3 billion, or 27%, in fiscal year 2026 compared to fiscal year 2025. The increase in subscription revenues was primarily attributable to paid seat expansion from our existing customers and price increases.

Other revenues increased $25.4 million, or 9%, in fiscal year 2026 compared to fiscal year 2025. The increase in other revenues was primarily attributable to an increase of $21.4 million in marketplace revenue.

Total revenues by deployment options were as follows:

(in thousands, except percentage data)	Fiscal Year Ended June 30, 2026	2025	$ Change	% Change
Cloud	$ 4,410,627	$ 3,447,427	$ 963,200	28 %
Data Center	1,830,941	1,467,167	363,774	25
Marketplace and other	330,740	300,710	30,030	10
Total revenues	$ 6,572,308	$ 5,215,304	$ 1,357,004	26 %

Total revenues by geography were as follows:

(in thousands, except percentage data)	Fiscal Year Ended June 30, 2026	2025	$ Change	% Change
Americas	$ 3,166,368	$ 2,516,901	$ 649,467	26 %
EMEA	2,692,588	2,123,971	568,617	27
Asia Pacific	713,352	574,432	138,920	24
Total revenues	$ 6,572,308	$ 5,215,304	$ 1,357,004	26 %

Cost of Revenues

(in thousands, except percentage data)	Fiscal Year Ended June 30, 2026	2025	$ Change	% Change
Cost of revenues	$ 996,830	$ 894,851	$ 101,979	11 %
Gross margin	85 %	83 %		

Cost of revenues increased $102.0 million, or 11%, in fiscal year 2026 compared to fiscal year 2025. The overall increase was primarily attributable to an increase of $87.0 million in hosting fees paid to third-party providers, and an increase of $38.4 million in amortization expense, partially offset by a decrease of $56.2 million in compensation expense for employees (which includes a decrease of $12.6 million in stock-based compensation), and a decrease of $19.6 million in fees paid for consulting and other professional services. In addition, we recorded restructuring charges of $53.2 million in fiscal year 2026, which were comprised of $46.6 million of severance and other termination benefits, and $6.6 million of impairment charges for lease and leasehold improvements.

Operating Expenses

Research and development

(in thousands, except percentage data)	Fiscal Year Ended June 30, 2026	2025	$ Change	% Change
Research and development	$ 3,269,257	$ 2,669,312	$ 599,945	22 %

Research and development expenses increased $599.9 million, or 22%, in fiscal year 2026 compared to fiscal year 2025. The overall increase was primarily attributable to an increase of $439.4 million in compensation expenses for employees (which includes an increase of $206.5 million in stock-based compensation). In addition, we recorded restructuring charges of $144.4 million in fiscal year 2026, which were comprised of $108.8 million of severance and other termination benefits, and $35.6 million of impairment charges for lease and leasehold improvements.

Marketing and sales

(in thousands, except percentage data)	Fiscal Year Ended June 30, 2026	2025	$ Change	% Change
Marketing and sales	$ 1,541,178	$ 1,134,535	$ 406,643	36 %

Marketing and sales expenses increased $406.6 million, or 36%, for fiscal year 2026 compared to fiscal year 2025. The overall increase was primarily attributable to an increase of $225.3 million in compensation expenses for employees (which includes an increase of $38.1 million in stock-based compensation), and an increase of $78.5 million in advertising and marketing program expenses. In addition, we recorded restructuring charges of $51.5 million in the fiscal year 2026, which were comprised of $26.4 million of impairment charges for lease and leasehold improvements, and $25.1 million of severance and other termination benefits.

General and administrative

(in thousands, except percentage data)	Fiscal Year Ended June 30, 2026	2025	$ Change	% Change
General and administrative	$ 754,688	$ 646,998	$ 107,690	17 %

General and administrative expenses increased $107.7 million, or 17%, in fiscal year 2026 compared to fiscal year 2025. The overall increase was primarily attributable to an increase of $59.2 million in compensation expenses for employees (which includes an increase of $10.9 million in stock-based compensation). In addition, we recorded restructuring charges of $36.1 million in fiscal year 2026, which were comprised of $24.8 million of severance and other termination benefits, and $11.3 million of impairment charges for lease and leasehold improvements.

Other expense, net

(in thousands, except percentage data)	Fiscal Year Ended June 30, 2026	2025	$ Change	% Change
Other expense, net	$ (8,565)	$ (50,277)	$ 41,712	(83)%

Other expense, net decreased $41.7 million, or (83)%, in fiscal year 2026 compared to fiscal year 2025. The overall decrease in other expense was primarily attributable to an increase of $25.3 million in net gains on public and private equity investments and a decrease of $20.4 million in expenses related to our share of loss from an equity method investment.

Interest income

(in thousands, except percentage data)	Fiscal Year Ended June 30, 2026	2025	$ Change	% Change
Interest income	$ 69,710	$ 112,324	$ (42,614)	(38)%

Interest income decreased $42.6 million, or 38%, in fiscal year 2026 compared to fiscal year 2025. The decrease was primarily attributable to a decrease in investment income as a result of decreased invested cash balances and declining interest rates.

Interest expense

(in thousands, except percentage data)	Fiscal Year Ended June 30, 2026	2025	$ Change	% Change
Interest expense	$ (49,450)	$ (30,550)	$ (18,900)	62 %

Interest expense increased $18.9 million, or 62%, in fiscal year 2026 compared to fiscal year 2025. The increase was primarily attributable to the amortization of interest rate swap contracts.

Provision for income taxes

(in thousands, except percentage data)	Fiscal Year Ended June 30, 2026	2025	$ Change	% Change
Provision for income taxes	$ (75,878)	$ (157,792)	$ 81,914	*
Effective tax rate	*	*		

* Not meaningful

The provision for income taxes decreased by $81.9 million in fiscal year 2026 compared to fiscal year 2025. This decrease was primarily attributable to the change in valuation allowance on Australian deferred tax assets related to deferred revenue recognition.

Our future effective annual tax rate may be materially impacted by the expense or benefit from tax amounts associated with our foreign earnings that are taxed at rates different from the federal statutory rate, level of profit before tax, accounting for uncertain tax positions, business combinations, changes in our valuation allowances to the extent sufficient positive evidence becomes available, closure of statute of limitations or settlement of tax audits, and changes in tax laws.

A significant amount of our earnings is generated by our Australian subsidiaries. Our future effective tax rates may be adversely affected to the extent earnings are lower than anticipated in countries where we have lower statutory tax rates. Changes in our global operations could result in changes to our effective tax rates, future cash flows, and overall profitability of our operations.

We recognize the tax benefit of an uncertain tax position only if we conclude it is more likely than not that the position is sustainable upon examination by the taxing authority, based on the technical merits. The tax benefit recognized is measured as the largest amount of benefit which is greater than 50 percent likely to be realized upon settlement with the taxing authority. We believe we have provided adequate reserves for income tax uncertainties in all open tax years.

On July 4, 2025, the U.S. government enacted The One Big Beautiful Bill Act ("OBBBA"), which includes, among other provisions, changes to the U.S. corporate income tax system such as allowing the immediate expensing of qualifying domestic research and development costs and permanent extensions of certain provisions within the Tax Cuts and Jobs Act. The legislation has multiple effective dates, with certain provisions effective in fiscal 2026 and others in the subsequent years. The changes had an immaterial impact on our provision for income taxes for our fiscal year 2026. We will continue to monitor any developments and guidance related to OBBBA.

The Organization for Economic Co-operation and Development introduced a framework for a global minimum corporate income tax of 15% known as the Global Anti-Base Erosion rules. This legislation has been enacted in certain jurisdictions where we operate and is effective for our fiscal year 2026. As of June 30, 2026, the global minimum tax did not have a significant impact on our financial statements. As additional jurisdictions enact legislation, transitional rules lapse, and other provisions of the global minimum tax legislation become effective, our effective tax rate and cash tax payments may increase in future years.

Liquidity and Capital Resources

As of June 30, 2026, we had cash and cash equivalents totaling $1.2 billion and accounts receivables totaling $1.3 billion. Since our inception, we have primarily financed our operations through cash flows generated by operations and corporate debt.

Our cash flows from operating activities, investing activities, and financing activities for fiscal years 2026 and 2025 were as follows:

	Fiscal Year Ended June 30,	
(in thousands)	**2026**	**2025**
Net cash provided by operating activities	$ 1,353,135	$ 1,460,393
Net cash used in investing activities	(806,893)	(342,322)
Net cash used in financing activities	(1,800,485)	(782,582)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(10,233)	151
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ (1,264,476)	$ 335,640

Our primary source of cash is collections from our customers. Our primary uses of cash from operating activities are general business expenses, including employment expenses, cloud platform and other infrastructure services, income taxes, professional services fees, marketing expenses, software expenses, and facility expenses.

Net cash provided by operating activities decreased by $107.3 million for fiscal year 2026, compared to fiscal year 2025. The net decrease was primarily attributable to an increase in cash paid to employees, including payments made under restructuring plans, vendors, and a decrease in interest received, partially offset by an increase in cash received from customers.

Net cash used in investing activities increased by $464.6 million for fiscal year 2026, compared to fiscal year 2025. The net increase was primarily attributable to an increase in cash consideration paid for acquisitions, net of cash acquired, of approximately $1.2 billion, partially offset by an increase in net inflows of $689.8 million related to marketable securities activity, and an increase in net inflows of $49.4 million related to strategic investment activity. Net cash used in financing activities increased by $1.0 billion for fiscal year 2026, compared to fiscal year 2025. The net cash used in financing activities was primarily attributable to an increase in repurchases of Class A Common Stock of $1.0 billion.

Material Cash Requirements

Debt

As of June 30, 2026, we had $500.0 million aggregate principal amount of 5.250% senior notes due 2029 (the "2029 Notes") and $500.0 million aggregate principal amount of 5.500% senior notes due 2034 (the "2034 Notes" and together with the 2029 Notes, the "Notes"). The Notes will mature on May 15, 2029 and May 15, 2034, respectively. Interest on the Notes is paid semi-annually in arrears on May 15 and November 15 of each year. Refer to Note 11, "*Debt,*" to our consolidated financial statements for additional information.

On August 12, 2024, Atlassian US, Inc.'s prior credit facility was amended and restated to provide for a $750 million senior unsecured revolving credit facility (the "2024 Credit Facility"). We may repay outstanding loans under the 2024 Credit Facility at any time, without premium or penalty, and we have an option to request an increase of $250 million in certain circumstances. The 2024 Credit Facility replaced our prior credit facility entered into in October 2020, which provided for a $1.0 billion senior unsecured delayed-draw term loan facility (the "Term Loan") and a $500 million senior unsecured revolving credit facility. The 2024 Credit Facility matures in August 2029. As of June 30, 2026, there were no borrowings under the 2024 Credit Facility. Refer to Note 11, "*Debt,*" to our consolidated financial statements for additional information.

Share Repurchase Program

In September 2024, the Board of Directors authorized a program to repurchase up to $1.5 billion of our outstanding Class A Common Stock (the "2024 Repurchase Program"). The 2024 Share Repurchase Program commenced in April 2025 following completion of the previous share repurchase program. The 2024 Repurchase Program was completed in March 2026. In October 2025, the Board of Directors authorized a new program under which we may repurchase up to an additional $2.5 billion of our outstanding Class A Common Stock (the "2025 Repurchase Program" and, together with the 2024 Repurchase Program, the "Repurchase Programs"). The 2025 Repurchase Program commenced in March 2026 following completion of the 2024 Repurchase Program.

During fiscal year 2026, we repurchased approximately 19.1 million shares of our Class A Common Stock for approximately $1.8 billion at an average price per share of $94.31 through the Repurchase Programs. The 1% excise tax instituted by the Inflation Reduction Act is excluded in the total repurchase cost and average price paid. All repurchases were made in open market transactions. As of June 30, 2026, $1.9 billion of our Class A Common Stock remained available for repurchase under the 2025 Repurchase Program. Refer to Note 16, "*Stockholders' Equity*," to our consolidated financial statements for additional information.

Contractual Obligations

Our principal commitments consist of contractual commitments for cloud services platform and other infrastructure services, and obligations under leases for office space including obligations for leases that have not yet commenced. Refer to Note 10, "*Leases*," and Note 12, "*Commitments and Contingencies,"* to our consolidated financial statements for additional information.

Other Future Obligations

We believe that our existing cash and cash equivalents, together with cash generated from operations, and borrowing capacity from the 2024 Credit Facility will be sufficient to meet our anticipated cash needs for at least the next 12 months. Our other future cash requirements will depend on many factors including our growth rate, the timing and extent of spend on research and development efforts, investment in AI, employee headcount, marketing and sales activities, investment in enterprise sales, payments to tax authorities, acquisitions of additional businesses and technologies, the introduction of new software and services offerings, enhancements to our existing software and services offerings and the continued market acceptance of our offerings.

As of June 30, 2026, we are not party to any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, results of operations, liquidity, capital expenditures, or capital resources.

Non-GAAP Financial Measures

In addition to the measures presented in our 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 and 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 non-GAAP 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, and the related income tax effects of these items.
- *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.

The following table presents a reconciliation of our Non-GAAP Financial Measures to the most comparable GAAP financial measure for fiscal years 2026 and 2025 (in thousands, except percentage and per share data):

	Fiscal Year Ended June 30,	
	2026	2025
Gross profit		
GAAP gross profit	$ 5,575,478	$ 4,320,453
Plus: Stock-based compensation	70,385	83,017
Plus: Amortization of acquired intangible assets	78,906	40,508
Plus: Restructuring charges (1)	52,620	—
Non-GAAP gross profit	$ 5,777,389	$ 4,443,978
Gross margin		
GAAP gross margin	85%	83%
Plus: Stock-based compensation	1	2
Plus: Amortization of acquired intangible assets	1	—
Plus: Restructuring charges (1)	1	—
Non-GAAP gross margin	88%	85%
Operating income		
GAAP operating income (loss)	$ 10,355	$ (130,392)
Plus: Stock-based compensation	1,605,129	1,362,222
Plus: Amortization of acquired intangible assets	101,486	55,517
Plus: Restructuring charges (1)	279,509	—
Non-GAAP operating income	$ 1,996,479	$ 1,287,347
Operating margin		
GAAP operating margin	—%	(3)%
Plus: Stock-based compensation	24	27
Plus: Amortization of acquired intangible assets	2	1
Plus: Restructuring charges (1)	4	—
Non-GAAP operating margin	30%	25%
Net income		
GAAP net loss	$ (53,828)	$ (256,687)
Plus: Stock-based compensation	1,605,129	1,362,222
Plus: Amortization of acquired intangible assets	101,486	55,517
Plus: Restructuring charges (1)	279,509	—
Less: Income tax adjustments (2)	(406,084)	(185,107)
Non-GAAP net income	$ 1,526,212	$ 975,945
Net income per share		
GAAP net loss per share - diluted	$ (0.21)	$ (0.98)
Plus: Stock-based compensation	6.16	5.15
Plus: Amortization of acquired intangible assets	0.39	0.20
Plus: Restructuring charges (1)	1.07	—
Less: Income tax adjustments (2)	(1.56)	(0.69)
Non-GAAP net income per share - diluted	$ 5.85	$ 3.68
Weighted-average diluted shares outstanding		
Weighted-average shares used in computing diluted GAAP net loss per share	260,163	261,787
Plus: Dilution from dilutive securities (3)	633	3,407
Weighted-average shares used in computing diluted non-GAAP net income per share	260,796	265,194
Free cash flow		
GAAP net cash provided by operating activities	$ 1,353,135	$ 1,460,393
Less: Capital expenditures	(34,060)	(44,850)
Free cash flow	$ 1,319,075	$ 1,415,543

(1) Restructuring charges include stock-based compensation expense related to the rebalancing of resources for the fiscal year 2026.

(2) We utilize a fixed long-term projected non-GAAP tax rate in our computation of the non-GAAP income tax adjustments in order to provide better consistency across interim reporting periods. In projecting this long-term non-GAAP tax rate, we utilized a three-year financial projection that excludes the direct and indirect income tax effects of the other non-GAAP adjustments reflected above. Additionally, we considered our current operating structure and other factors such as our existing tax positions in various jurisdictions and key legislation in major jurisdictions where we operate. For fiscal years 2026 and 2025, we determined the projected non-GAAP tax rate to be 24% and 26%, respectively. This fixed long-term projected non-GAAP tax rate eliminates the effects of non-recurring and period specific items which can vary in size and frequency. Examples of the non-recurring and period specific items include but are not limited to changes in the valuation allowance related to deferred tax assets, effects resulting from acquisitions, and unusual or infrequently occurring items. We will periodically re-evaluate this long-term rate, as necessary, for significant events. The rate could be subject to change for a variety of reasons, for example, significant changes in the geographic earnings mix or fundamental tax law changes in major jurisdictions where we operate.

(3) The effects of these dilutive securities were not included in the GAAP calculation of diluted net loss per share for fiscal years 2026 and 2025 because the effect would have been anti-dilutive.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Foreign Currency Exchange Risk

We operate globally and are exposed to foreign exchange risk arising from exposure to various currencies in the ordinary course of business. Our exposures primarily consist of the Australian dollar, Indian rupee, Euro, British pound sterling, Japanese yen, Philippine peso, Canadian dollar, Polish zloty, and New Zealand dollar. Foreign exchange risk arises from commercial transactions and recognized financial assets and liabilities denominated in a currency other than the U.S. dollar. Our financial risk management policy is reviewed annually by the Audit Committee of our Board of Directors and requires us to monitor our foreign exchange exposure on a regular basis.

The substantial majority of our sales contracts are denominated in U.S. dollars, and our operating expenses are generally denominated in the local currencies of the countries where our operations are located. We therefore benefit from a strengthening of the U.S. dollar and are adversely affected by the weakening of the U.S. dollar.

We have a cash flow hedging program in place and enter into derivative transactions to manage certain foreign currency exchange risks that arise in our ordinary business operations. We recognize all derivative instruments as either assets or liabilities on our Consolidated Balance Sheets and measure them at fair value. Gains and losses resulting from changes in fair value are accounted for depending on the use of the derivative and whether it is designated and qualifies for hedge accounting. After considering the foreign currency derivative hedging contracts we enter into to manage transactional foreign currency exchange risk, a hypothetical 10% strengthening or weakening of the U.S. dollar against the foreign currencies applicable to our business would not have a material effect on our operating results.

We enter into master netting agreements with select financial institutions to reduce our credit risk, and we trade with several counterparties to reduce our concentration risk with any single counterparty. We do not have significant exposure to counterparty credit risk at this time. We do not require nor are we required to post collateral of any kind related to our foreign currency derivatives.

We hedge material foreign currency denominated monetary assets and liabilities using balance sheet hedges. The fluctuations in the fair market value of balance sheet hedges due to foreign currency rates generally offset those of the hedged items, resulting in no material effect on profit. Consequently, we are primarily exposed to significant foreign currency exchange rate fluctuations with regard to the spot component of derivatives held within a designated cash flow hedge relationship affecting other comprehensive income.

A sensitivity analysis performed on our hedging portfolio as of June 30, 2026 and 2025 indicated that a hypothetical 10% strengthening or weakening of the U.S. dollar against the foreign currencies applicable to our business would decrease or increase the fair value of our foreign currency contracts by $91.6 million and $102.2 million, respectively.

Interest Rate Risk

Our cash equivalents and investment portfolio are subject to market risk due to changes in interest rates. Fixed rate securities may have their market value adversely impacted due to a rise in interest rates. As of June 30, 2026, we had cash and cash equivalents totaling $1.2 billion. A sensitivity analysis performed on our portfolio as of June 30, 2026 and 2025 indicated that a hypothetical 100 basis point increase or decrease in interest rates did not have a material impact to market value of our investments. This estimate is based on a sensitivity model that measures market value changes when changes in interest rates occur.

On May 15, 2024, we issued $500.0 million aggregate principal amount of 5.250% senior notes due 2029 (the “2029 Notes”) and $500.0 million aggregate principal amount of 5.500% senior notes due 2034 (the “2034 Notes,” and together with the 2029 Notes, the “Notes”). As of June 30, 2026, we had $985.6 million of Notes, net of unamortized discount and issuance costs, outstanding. The Notes have fixed annual interest rates, and therefore, we do not have economic interest rate exposure on these debt obligations. However, the fair values of the Notes are exposed to interest rate risk. Generally, the fair values of the Notes will increase as interest rates fall and decrease as interest rates rise.

On August 12, 2024, Atlassian US, Inc.’s prior credit facility was amended and restated to provide for a $750 million senior unsecured revolving credit facility (the “2024 Credit Facility”). We are subject to risk due to changes in interest rates in respect of any borrowings made under our 2024 Credit Facility, which has a floating interest rate. As of June 30, 2026, we had no outstanding loans under the 2024 Credit Facility. Refer to Note 11, “*Debt*,” to our consolidated financial statements for additional information.

ITEM 8. FINANCIAL STATEMENT AND SUPPLEMENTARY DATA

ATLASSIAN CORPORATION

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Atlassian Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Atlassian Corporation (the Company) as of June 30, 2026 and 2025, the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended June 30, 2026, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at June 30, 2026 and 2025, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2026, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of June 30, 2026, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated August 14, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition

Description of the Matter

As described in Note 2 to the consolidated financial statements, the Company reports revenues in two categories: (i) subscriptions and (ii) other. The Company’s contracts often include promises to transfer multiple products and services to a customer. The Company allocates the transaction price for each contract to each performance obligation based on the relative standalone selling price (“SSP”) for each performance obligation.

Auditing the Company’s revenue recognition was challenging due to the effort required to analyze the accounting treatment for contracts with multiple performance obligations. This involved assessing the impact of terms and conditions of contracts and the determination of SSP for the identified performance obligations.

How We Addressed the Matter in Our Audit

We obtained an understanding of the process for revenue recognition by performing a walkthrough. We also evaluated the design and tested the operating effectiveness of the Company's internal controls over the assessment of terms and conditions of contracts, which included the internal controls over the determination of SSP for the identified performance obligations.

To evaluate management's assessment of terms and conditions of contracts, we performed audit procedures that included, among others, testing a sample of contracts to understand the terms and conditions and evaluating SSP for the identified performance obligations. To evaluate management's determination of SSP for the identified performance obligations, we performed audit procedures that included, among others, assessing the appropriateness of the methodologies used in the Company's SSP analyses, testing the completeness and accuracy of the underlying data used, and testing the mathematical accuracy. Finally, we assessed the related disclosures in the consolidated financial statements.

Valuation of developed technology intangible asset in the acquisition of A Software Company

Description of the Matter

As described in Note 7 to the consolidated financial statements, the Company acquired A Software Company ("DX") during fiscal 2026 for total purchase price consideration of $720.4 million. In connection with this acquisition, management recognized a developed technology intangible asset of $138.0 million. The valuation of the developed technology intangible asset is complex and judgmental due to the use of subjective assumptions in the valuation models used by management when determining their estimated fair value. In particular, the fair value estimate for the acquired developed technology intangible asset is sensitive to changes in assumptions for forecasted revenue, revenue growth rate, and discount rate.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the determination of the fair value of the developed technology intangible asset. This included controls over management's development of the assumptions described above.

To test management's estimate of the fair value of the developed technology intangible asset, we performed audit procedures that included, among others, evaluating the significant assumptions used by the Company to develop the forecasted revenue, revenue growth rate, and discount rate, including validating the completeness and accuracy of the underlying data supporting the significant assumptions. We performed sensitivity analyses to evaluate the changes in the fair value of the developed technology intangible asset that would result from changes in the assumptions and compared the more sensitive significant assumptions used by management to the current results of the acquired business and to current industry and competitor data. In addition, we involved our valuation professionals to assist in our evaluation of the methodology used by the Company and the significant assumptions underlying the fair value estimates.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2012.
San Francisco, California
August 14, 2026

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Atlassian Corporation

Opinion on Internal Control Over Financial Reporting

We have audited Atlassian Corporation's internal control over financial reporting as of June 30, 2026, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Atlassian Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of June 30, 2026, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the 2026 consolidated financial statements of the Company and our report dated August 14, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

/s/ Ernst & Young LLP

San Francisco, California
August 14, 2026

ATLASSIAN CORPORATION

CONSOLIDATED BALANCE SHEETS

(in thousands, except par value and share data)

	June 30,	
	2026	**2025**
Assets		
Current assets:		
Cash and cash equivalents	$ 1,239,512	$ 2,512,874
Marketable securities	—	424,268
Accounts receivable, net	1,269,947	778,302
Prepaid expenses and other current assets	287,663	175,793
Total current assets	2,797,122	3,891,237
Non-current assets:		
Property and equipment, net	86,302	105,118
Operating lease right-of-use assets	114,059	169,127
Strategic investments	213,147	221,942
Intangible assets, net	432,258	244,840
Goodwill	2,302,739	1,304,445
Deferred tax assets	4,088	3,762
Other non-current assets	153,814	101,499
Total assets	$ 6,103,529	$ 6,041,970
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 262,609	$ 222,092
Accrued expenses and other current liabilities	764,579	681,601
Deferred revenue, current portion	2,495,431	2,227,002
Operating lease liabilities, current portion	48,509	50,164
Total current liabilities	3,571,128	3,180,859
Non-current liabilities:		
Deferred revenue, net of current portion	166,260	254,252
Operating lease liabilities, net of current portion	194,841	201,483
Long-term debt	989,560	987,684
Deferred tax liabilities	27,853	23,881
Other non-current liabilities	95,445	48,157
Total liabilities	5,045,087	4,696,316
Commitments and contingencies (Note 12)		
Stockholders' equity		
Class A Common Stock, $0.00001 par value; 750,000,000 shares authorized, 159,268,260 and 165,949,196 issued and outstanding at June 30, 2026 and 2025, respectively	2	2
Class B Common Stock, 0.00001 par value; 230,000,000 shares authorized, 94,133,617 and 97,030,987 issued and outstanding at June 30, 2026 and 2025, respectively	1	1
Additional paid-in capital	7,180,851	5,574,290
Accumulated other comprehensive income (loss)	(17,034)	13,226
Accumulated deficit	(6,105,378)	(4,241,865)
Total stockholders' equity	1,058,442	1,345,654
Total liabilities and stockholders' equity	$ 6,103,529	$ 6,041,970

The above consolidated financial statements should be read in conjunction with the accompanying notes.

ATLASSIAN CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share data)

	Fiscal Year Ended June 30,		
	2026	**2025**	**2024**
Revenues:			
Subscription	$ 6,262,194	$ 4,930,604	$ 3,924,389
Other	310,114	284,700	434,214
Total revenues	6,572,308	5,215,304	4,358,603
Cost of revenues [1] [2]	996,830	894,851	803,495
Gross profit	5,575,478	4,320,453	3,555,108
Operating expenses:			
Research and development [1] [2]	3,269,257	2,669,312	2,184,111
Marketing and sales [1] [2]	1,541,178	1,134,535	877,497
General and administrative [1]	754,688	646,998	610,577
Total operating expenses	5,565,123	4,450,845	3,672,185
Operating income (loss)	10,355	(130,392)	(117,077)
Other expense, net	(8,565)	(50,277)	(30,916)
Interest income	69,710	112,324	96,663
Interest expense	(49,450)	(30,550)	(34,077)
Income (loss) before income taxes	22,050	(98,895)	(85,407)
Provision for income taxes	(75,878)	(157,792)	(215,112)
Net loss	$ (53,828)	$ (256,687)	$ (300,519)
Net loss per share attributable to Class A and Class B common stockholders:			
Basic	$ (0.21)	$ (0.98)	$ (1.16)
Diluted	$ (0.21)	$ (0.98)	$ (1.16)
Weighted-average shares used in computing net loss per share attributable to Class A and Class B common stockholders:			
Basic	260,163	261,787	259,133
Diluted	260,163	261,787	259,133

(1) Amounts include stock-based compensation, as follows:

Cost of revenues	$ 71,817	$ 83,017	$ 71,691
Research and development	1,143,944	937,440	712,409
Marketing and sales	206,368	168,270	137,347
General and administrative	184,432	173,495	159,986

(2) Amounts include amortization of acquired intangible assets, as follows:

Cost of revenues	$ 78,906	$ 40,508	$ 36,988
Research and development	374	374	374
Marketing and sales	22,206	14,635	12,386

The above consolidated financial statements should be read in conjunction with the accompanying notes.

ATLASSIAN CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands)

	Fiscal Year Ended June 30,		
	2026	**2025**	**2024**
Net loss	$ (53,828)	$ (256,687)	$ (300,519)
Other comprehensive loss, net of reclassification adjustments:			
Foreign currency translation adjustment	(11,576)	3,639	(2,270)
Net change in unrealized gain (loss) on marketable and privately held debt securities	(345)	1,032	314
Net loss on cash flow hedging derivative instruments	(18,339)	(16,745)	(6,746)
Other comprehensive loss, before tax	(30,260)	(12,074)	(8,702)
Income tax effect	—	—	—
Other comprehensive loss, net of tax	(30,260)	(12,074)	(8,702)
Total comprehensive loss, net of tax	$ (84,088)	$ (268,761)	$ (309,221)

The above consolidated financial statements should be read in conjunction with the accompanying notes.

ATLASSIAN CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in thousands)

	Common Stock				Additional paid in capital	Accumulated other comprehensive loss	Accumulated deficit	Total stockholders' equity
	Class A		Class B					
	Shares	Amount	Shares	Amount				
Balance at June 30, 2023	152,437	$ 2	105,124	$ 1	$ 3,130,631	$ 34,002	$ (2,509,964)	$ 654,672
Common stock issued	5,000	—	—	—	—	—	—	—
Conversion from Class B Common Stock to Class A Common Stock	4,112	—	(4,112)	—	—	—	—	—
Stock-based compensation	—	—	—	—	1,081,433	—	—	1,081,433
Repurchases of Class A Common Stock	(2,161)	—	—	—	—	—	(394,033)	(394,033)
Other comprehensive loss, net of tax	—	—	—	—	—	(8,702)	—	(8,702)
Net loss	—	—	—	—	—	—	(300,519)	(300,519)
Balance at June 30, 2024	159,388	2	101,012	1	4,212,064	25,300	(3,204,516)	1,032,851
Common stock issued	6,473	—	—	—	4	—	—	4
Conversion from Class B Common Stock to Class A Common Stock	3,981	—	(3,981)	—	—	—	—	—
Stock-based compensation	—	—	—	—	1,362,222	—	—	1,362,222
Repurchases of Class A Common Stock	(3,982)	—	—	—	—	—	(780,662)	(780,662)
Other comprehensive loss, net of tax	—	—	—	—	—	(12,074)	—	(12,074)
Net loss	—	—	—	—	—	—	(256,687)	(256,687)
Balance at June 30, 2025	165,860	2	97,031	1	5,574,290	13,226	(4,241,865)	1,345,654
Common stock issued	8,273	—	—	—	—	—		—
Conversion from Class B Common Stock to Class A Common Stock	2,897	—	(2,897)	—	—	—		—
Stock-based compensation	—	—	—	—	1,606,561	—		1,606,561
Repurchases of Class A Common Stock	(19,117)	—	—	—	—	—	(1,809,685)	(1,809,685)
Other comprehensive loss, net of tax	—	—	—	—	—	(30,260)	—	(30,260)
Net loss	—	—	—	—	—	—	(53,828)	(53,828)
Balance at June 30, 2026	157,913	$ 2	94,134	$ 1	$ 7,180,851	$ (17,034)	$ (6,105,378)	$ 1,058,442

The above consolidated financial statements should be read in conjunction with the accompanying notes.

ATLASSIAN CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Fiscal Year Ended June 30,		
	2026	**2025**	**2024**
Cash flows from operating activities:			
Net loss	$ (53,828)	$ (256,687)	$ (300,519)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	140,668	92,375	78,738
Stock-based compensation	1,606,561	1,362,222	1,081,433
Impairment charges for leases and leasehold improvements	80,316	—	—
Deferred income taxes	(23,080)	4,050	119
Gain on a non-cash sale of a controlling interest of a subsidiary	—	—	(1,378)
Amortization of interest rate swap contracts	(7,163)	(26,344)	(4,166)
Net loss (gain) on strategic investments	(22,029)	22,994	13,337
Net foreign currency loss (gain)	6,182	(2,494)	2,301
Other	1,507	(532)	1,305
Changes in operating assets and liabilities, net of business combinations:			
Accounts receivable, net	(484,465)	(150,035)	(148,469)
Prepaid expenses and other assets	(155,832)	(85,385)	(3,122)
Accounts payable	41,907	42,873	18,150
Accrued expenses and other liabilities	69,077	90,988	158,123
Deferred revenue	153,314	366,368	552,307
Net cash provided by operating activities	1,353,135	1,460,393	1,448,159
Cash flows from investing activities:			
Business combinations, net of cash acquired	(1,228,875)	(14,245)	(847,767)
Purchases of property and equipment	(34,060)	(44,850)	(33,112)
Purchases of strategic investments	(9,250)	(27,430)	(14,400)
Purchases of marketable securities	(67,259)	(411,635)	(248,897)
Proceeds from maturities of marketable securities	144,125	144,878	116,537
Proceeds from sales of marketable securities	352,093	5,893	41,514
Proceeds from sales of strategic investments	36,333	5,067	22,379
Net cash used in investing activities	(806,893)	(342,322)	(963,746)
Cash flows from financing activities:			
Repayment of Term Loan	—	—	(1,000,000)
Proceeds from issuance of debt, net of issuance cost	—	—	987,039
Repurchases of Class A Common Stock	(1,800,485)	(779,439)	(395,256)
Other	—	(3,143)	—
Net cash used in financing activities	(1,800,485)	(782,582)	(408,217)
Effect of foreign exchange rate changes on cash and cash equivalents	(10,233)	151	(1,989)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(1,264,476)	335,640	74,207
Cash, cash equivalents, and restricted cash at beginning of period	2,513,762	2,178,122	2,103,915
Cash, cash equivalents, and restricted cash at end of period	$ 1,249,286	$ 2,513,762	$ 2,178,122
Reconciliation of cash, cash equivalents, and restricted cash within the consolidated balance sheets to the amounts shown in the consolidated statements of cash flows above:			
Cash and cash equivalents	$ 1,239,512	$ 2,512,874	$ 2,176,930
Restricted cash included in other non-current assets	9,774	888	1,192
Total cash, cash equivalents, and restricted cash	$ 1,249,286	$ 2,513,762	$ 2,178,122
Supplemental disclosures of cash flow information:			
Income taxes paid, net of refunds	$ 160,706	$ 180,470	$ 253,828
Interest paid	54,320	54,268	61,339
Received from interest rate swap contracts	—	—	(65,734)
Non-cash investing and financing activities:			
Purchase of property and equipment included in accrued expenses and other liabilities	19,538	10,523	1,263
Repurchases of Class A Common Stock and related excise tax liability included in accrued expenses and other current liabilities	13,366	4,167	2,943
Debt issuance costs included in accrued expenses and other current liabilities	—	—	1,344

The above consolidated financial statements should be read in conjunction with the accompanying notes.

ATLASSIAN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of the Business

Atlassian Corporation (the "Company") is a global technology company with a mission to unleash the potential of every team. The Company's team collaboration software enables organizations to connect all teams through a system of work that unlocks productivity at scale. The Company's portfolio of interconnected apps, AI agents, and products, each with discrete value propositions, delivers solutions for software teams, IT operations and support teams, leadership, and business teams. The Company puts AI at the center of its portfolio to enhance teamwork for users across apps and Collections, a carefully curated set of apps and agents designed to solve complex tasks. These apps, agents, and Collections are all built on the Atlassian Cloud Platform and data model: a common technology foundation that seamlessly connects teams, information, and workflows throughout an organization.

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

2. Summary of Significant Accounting Policies

Basis of Preparation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). These principles are established primarily by the Financial Accounting Standards Board ("FASB").

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions in the Company's consolidated financial statements. These estimates are based on information available as of the date of the consolidated financial statements. Such management estimates and assumptions include, but are not limited to the determination of:

- the standalone selling price ("SSP") of performance obligations for revenue contracts with multiple performance obligations;
- the fair value of assets acquired and liabilities assumed for business combinations;
- the recognition, measurement and valuation of current and deferred income taxes and uncertain tax positions.

Actual results could differ materially from these estimates.

Segment

The Company operates as a single operating segment and derives revenue primarily from fees earned from subscription-based arrangements for providing customers with software in a cloud-based-infrastructure that the Company provides, and from the sale of on-premises term license agreements.

An operating segment is defined as a component of an entity for which discrete financial information is available and whose results of operations are regularly reviewed by the chief operating decision maker ("CODM"). The Company has identified the CEO, Mike Cannon-Brookes, as the CODM. The CODM manages the Company using consolidated financial information. Further, the Company offers a connected portfolio of apps that are built on a single Atlassian platform and data model. Accordingly, the Company has determined it operates as a single operating and reportable segment.

The CODM uses consolidated net loss to allocate resources, including headcount, and make business investment decisions during the Company's budgeting process. The CODM also uses consolidated net loss to assess performance by comparing the consolidated results to forecasts. Significant segment expenses are organized by function and are presented on the consolidated statements of operations. Other segment items

included in consolidated net loss are: other income and expense, net, interest income, interest expense, and the provision for income taxes, which are reflected in the consolidated statements of operations.

Foreign Currency

The Company's consolidated financial statements are presented using the U.S. dollar, which is its reporting currency. The functional currency for certain of the Company's foreign subsidiaries is the U.S. dollar, while others use local currencies. The Company translates the foreign functional currency financial statements to U.S. dollars for those entities that do not have the U.S. dollar as their functional currency using the exchange rates at the balance sheet date for assets and liabilities, the period average exchange rates for revenues and expenses, and the historical exchange rates for equity transactions. The effects of foreign currency translation adjustments are recorded in accumulated other comprehensive income in the Consolidated Statements of Comprehensive Loss. Foreign currency transaction gains and losses are included in other income (expense), net on the Consolidated Statements of Operations.

Revenue from Contracts with Customers

Policies, Estimates and Judgments

Revenues are generally recognized upon the transfer of control of promised products or services provided to customers, reflecting the amount of consideration the Company expects to receive for those products or services. The Company enters into contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. Revenue is recognized net of sales and other similar taxes collected from customers, which are subsequently remitted to governmental authorities.

Revenues are recognized upon the application of the following steps:

1. Identification of the contract or contracts with a customer;
2. Identification of the performance obligations in the contract;
3. Determination of the transaction price;
4. Allocation of the transaction price to the performance obligations in the contract; and
5. Recognition of revenue when, or as, the performance obligation is satisfied.

The timing of revenue recognition may differ from the timing of billing to its customers. The Company receives payments from customers based on a billing schedule as established in its contracts. Contract assets are recognized when performance is completed in advance of billings. Deferred revenue is recorded when billings are in advance of performance under the contract. The Company's revenue arrangements include standard warranty provisions that the products and services will perform and operate in all material respects with the applicable published specifications, the financial impacts of which have historically been and are expected to continue to be insignificant. The Company's contracts do not include a significant financing component.

Customer contracts often include promises to transfer multiple products and services to a customer.

The Company allocates the transaction price for each customer contract to each performance obligation based on the relative SSP for each distinct performance obligation. Judgment is required in determining the SSP for each distinct performance obligation. The Company typically determines an SSP range for its products and services, which is reassessed on a periodic basis or when facts and circumstances change. In most cases, the Company is able to determine SSP based on the observable prices of products or services sold separately. In instances where performance obligations do not have observable standalone sales, the Company utilizes available information that may include market conditions, pricing strategies, the life of the software, and other observable inputs to estimate the price that it would charge if the products and services were sold separately.

Recognition of Revenue

Revenue recognized from contracts with customers is disaggregated into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The Company reports revenues in two categories: (i) subscription, (ii) other. In addition, revenue is presented by geographic region and deployment option in Note 13, "*Revenue.*"

Subscription Revenues

Subscription revenues consist primarily of fees earned from subscription-based arrangements for providing customers the right to use the Company's software in a cloud-based-infrastructure that the Company provides. The Company also sells on-premises term license agreements for its Data Center offerings, which consist of software licensed for a specified period and include support and maintenance services that are bundled with the license for the term of the license period. Subscription revenues are driven primarily by the number and size of active licenses, the type of deployment, and the price of the licenses. For Cloud offerings, subscription revenue is recognized ratably as services are performed, commencing with the date the service is made available to customers. For Data Center offerings, the Company recognizes revenue upfront for the portion that relates to the delivery of the term license, and the revenue related to support is recognized ratably as the services are performed over the term of the arrangement.

In September 2025, the Company announced plans to end-of-life its Data Center offering. As of March 2026, the Company no longer sells term licenses to new customers, and will stop selling term licenses and expansions to existing customers in March 2028. Subject to limited exceptions, the Company plans to end maintenance and support for these on-premises versions of its products in March 2029.

Other Revenues

Other revenues primarily include fees received for sales of third-party apps in the Atlassian Marketplace. Advisory services and training services are also included in other revenues. Revenue from the sale of third-party apps via Atlassian Marketplace is recognized on the date of product delivery given that all of the Company's obligations have been met at that time and on a net basis as the Company functions as the agent in the relationship. Revenue from advisory services is recognized over the time period that the customer has access to the service. Revenue from advisory and training is recognized over time as the services are performed.

Deferred Contract Acquisition Costs

Deferred contract acquisition costs are costs incurred to obtain a contract, if such costs are recoverable, and consist primarily of sales commissions and related payroll taxes. Incremental costs of obtaining a contract are earned on new and expansion contracts which are capitalized and amortized over the average period of benefit, which the Company estimates to be four years.

The Company determines the period of benefit for commissions paid for the acquisition of the customer contract by taking into consideration the initial estimated customer life, anticipated renewals, and the technological life of its software. The Company includes the deferred contract costs in prepaid expense and other current assets and other non-current assets on the Consolidated Balance Sheets and the amortization of deferred contract acquisition costs in marketing and sales expense on the Consolidated Statements of Operations.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents consist of highly liquid investments with an original maturity of three months or less at the date of purchase. Cash equivalents also include amounts due from third-party credit card processors as they are both short-term and highly liquid in nature and are typically converted to cash within three days of the sales transaction. Cash and cash equivalents are stated at fair value.

As of June 30, 2026 and 2025, the Company had restricted cash of $9.8 million and $0.9 million, respectively, primarily used for the benefit of employees through a deferred compensation plan and future payments of voluntary disability insurance claims. Restricted cash was not available for use in the Company's operations and is included in other non-current assets in the Consolidated Balance Sheets.

Accounts Receivable, net

The Company records trade accounts receivable at the invoice value, and such receivables are non-interest bearing. The Company considers receivables past due based on the contractual payment terms. The Company makes estimates of expected credit and collectability trends based on an assessment of various factors including historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment that may affect the Company's ability to collect from customers. The allowance for credit losses and write offs were not material for each of the periods ended June 30, 2026, 2025 and 2024.

Fair Value Measurements

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy prioritizes the quality and reliability of the information used to determine fair values. Categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is defined into the following three categories of inputs:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Observable inputs (other than Level 1 prices) such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities;
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or examination.

Marketable Securities

The Company classifies all marketable debt securities that have original stated maturities of greater than three months as marketable securities on its Consolidated Balance Sheets. The Company determines the appropriate classification of its investments in marketable debt securities at the time of purchase and reevaluates such designation at each balance sheet date. The Company has classified and accounted for its marketable debt securities as available-for-sale (“AFS”). After consideration of its risk versus reward objectives, as well as its liquidity requirements, the Company may sell these debt securities prior to their stated maturities. The Company considers all of its marketable securities as funds available for use in current operations, including those with maturity dates beyond one year, and therefore classifies these securities as current assets on the Consolidated Balance Sheets.

The Company evaluates AFS securities with unrealized loss positions for credit loss by assessing whether the decline in fair value below the amortized cost basis has resulted from a credit loss or other factors, whether the Company expects to recover the entire amortized cost basis of the security, its intent to sell and whether it is more likely than not that the Company will be required to sell the securities before the recovery of their amortized cost basis. The Company carries these securities at fair value, and reports the unrealized gains and losses, net of taxes, as a component of accumulated other comprehensive income except for the changes in allowance for expected credit losses, which are recorded in other income (expense), net. Realized gains and losses are determined based on the specific identification method and are reported in other income (expense), net on the Consolidated Statements of Operations.

Strategic Investments

The Company holds strategic investments in privately held debt and equity securities. Investments in privately held debt securities are classified as AFS securities. Investments in privately held equity securities without readily determinable fair values in which the Company does not own a controlling interest or have significant influence over are measured in accordance with the measurement alternative. In applying the measurement alternative, the carrying value of the investment is measured at cost, less impairment, if any, plus or minus changes resulting from observable price changes from orderly transactions for the identical or a similar investment of the same issuer in the period of occurrence. Changes to the carrying value of these investments are recorded through other income (expense), net on the Consolidated Statements of Operations.

In determining adjustments to the carrying value of its strategic investments in privately held companies, the Company uses the most recent data available to the Company. Valuations of privately held securities are inherently complex and the determination of whether an orderly transaction is for an identical or similar investment requires judgment. In its evaluation, the Company considers factors such as differences in the rights and preferences of the investments and the extent to which those differences would affect the fair values of those investments. The Company’s impairment analysis encompasses an assessment of both qualitative and quantitative factors, including the investee’s financial metrics, market acceptance of the investee’s product or technology, general market conditions, and liquidity considerations.

During fiscal year 2026, the Company held equity securities in publicly-traded entities for which the Company did not have a controlling interest. Investments in publicly traded equity securities were recorded at fair value with changes in the fair value of the investments recorded in other income (expense), net in the Consolidated Statements of Operations. The Company did not hold any publicly traded equity securities as of June 30, 2026.

Equity Method Investments

Privately held equity securities in which the Company does not have a controlling financial interest but does exercise significant influence over the investment are accounted for under the equity method. The Company records a proportionate share of the investment's earnings or losses, and impairment, if any, as a component of other income (expense), net in the Consolidated Statements of Operations. These investments are included in strategic investments in the Consolidated Balance Sheets.

For entities that meet the definition of a variable interest entity ("VIE"), the Company consolidates those entities when the Company is the primary beneficiary of the entity. The Company is determined to be the primary beneficiary when it possesses both the unilateral power to direct activities that most significantly impact the economic performance of the VIE and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE. The Company continually evaluates whether it qualifies as the primary beneficiary and reconsiders its determination of whether an entity is a VIE upon reconsideration events. As of June 30, 2026, the Company has one investment in an unconsolidated VIE for which it exercises significant influence over their operations and accordingly accounts for it as an equity method investment.

Derivative Financial Instruments

The Company enters into foreign exchange forward contracts with the objective to mitigate certain currency risks associated with cost of revenues and operating expenses denominated in foreign currencies. These foreign exchange forward contracts are designated as cash flow hedges. The Company also enters into foreign exchange forward contracts to hedge a portion of certain foreign currency denominated as monetary assets and liabilities to reduce the risk that such foreign currency will be adversely affected by changes in exchange rates. The Company does not enter into derivative instrument transactions for trading or speculative purposes.

Hedging derivative instruments are recognized as either assets or liabilities and are measured at fair value. For derivative instruments designated as cash flow hedges, the gains (losses) on the derivatives are initially reported as a component of other comprehensive income and are subsequently recognized in earnings when the hedged exposure is recognized in earnings. For derivative instruments that are not designated as hedges, gains (losses) from changes in fair values are primarily recognized in other income (expense), net. The Company enters into master netting agreements with financial institutions to execute its hedging program. The master netting agreements are with select financial institutions to reduce the Company's credit risk, as well as to reduce its concentration of risk with any single counterparty.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method to allocate the cost over the estimated useful lives. The estimated useful lives for each asset class are as follows:

Equipment	3 years
Computer hardware and computer-related software	3 - 5 years
Furniture and fittings	5 years
Leasehold improvements	Shorter of the remaining lease term or 7 years

Leases

The Company determines if an arrangement is a lease at inception. The Company's lease agreements generally contain lease and non-lease components. Payments under the Company's lease arrangements are primarily fixed. Non-lease components primarily include payments for maintenance and utilities. The Company combines fixed payments for non-lease components with lease payments and accounts for them together as a single lease component, which increases the amount of its lease assets and liabilities.

Certain lease agreements contain variable payments, which are expensed as incurred and not included in the lease assets and liabilities. These amounts include payments affected by the Consumer Price Index and payments for maintenance and utilities.

Lease assets and liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value of the future lease payments is the Company's incremental borrowing rate, because the interest rate implicit in the Company's leases is not readily determinable. The Company's incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased asset is located. The Company's lease terms include periods under options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The Company generally uses the base, non-cancelable, lease term when determining the lease assets and liabilities. The Company reassesses the lease term if and when a significant event or change in circumstances occurs. Lease assets also include any prepaid lease payments and lease incentives. Operating lease expense (excluding variable lease costs) is recognized on a straight-line basis over the lease term.

The Company applies the short-term lease recognition exemption for short-term leases, which are leases with a lease term of 12 months or less. Payments associated with short-term leases are recognized on a straight-line basis over the lease term.

The Company did not have any finance lease arrangements for fiscal years 2026, 2025, and 2024.

Business Combinations

The Company allocates the purchase price of acquired companies to the tangible and intangible assets acquired and liabilities assumed, based on their estimated fair values. The excess of the purchase price over the fair values of these identifiable assets and liabilities is recorded as goodwill. Acquisition-related expenses are recognized separately from the business combination and are expensed as incurred.

The Company uses its best estimates and assumptions to assign fair value to the tangible and intangible assets acquired and liabilities assumed at the acquisition date. Assumptions used to estimate the fair value of the intangible assets include, but are not limited to, projected revenue growth, projected operating expenses, and technology migration curves. These estimates are inherently uncertain and subject to refinement and, as a result, actual results may differ from estimates.

During the measurement period, which may not be later than one year from the acquisition date, the Company may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the Consolidated Statements of Operations.

Intangible Assets

The Company acquires intangible assets separately or in connection with business combinations. Intangible assets are measured at cost initially. Intangible assets with finite lives are amortized over their estimated useful life using the straight-line method. The amortization expense on intangible assets is recognized in the Consolidated Statements of Operations in the expense category consistent with the function of the intangible asset.

The estimated useful lives for each intangible asset class are as follows:

Patents, trademarks, and other rights	3 - 12 years
Customer relationships	3 - 10 years
Acquired developed technology	3 - 7 years

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate an asset's carrying value may not be recoverable. When the projected undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts, the assets are adjusted to their estimated fair value and an impairment loss is recorded as a component of operating income (expense).

Goodwill

Goodwill is the excess of the aggregate of the consideration transferred over the identifiable assets acquired and liabilities assumed.

Goodwill is tested for impairment at least annually during the fourth quarter of the Company's fiscal year and more often if and when circumstances indicate that the carrying value may be impaired. The Company's reporting unit is at the operating segment level. The Company performs its goodwill impairment test at the level of its operating segment, as there are no levels below the operating segment level for which discrete financial information is prepared and regularly reviewed by the Company's CODM. A qualitative assessment is performed to determine whether it is more likely than not that the fair value of its operating segment is less than its carrying amount. If the operating segment does not pass the qualitative assessment, the carrying amount of the operating segment, including goodwill, is compared to fair value and goodwill is considered impaired if the carrying value exceeds its fair value. Any excess is recognized as an impairment loss in the current period earnings.

Stock-based Compensation

The Company recognizes compensation expense related to all stock-based awards, including restricted stock units ("RSU") and restricted stock awards ("RSA") issued to the Company's employees in exchange for their service, based on the estimated fair value of the awards on the grant date. The fair value of each RSU or RSA is based on the fair value of the Company's Class A Common Stock on the date of grant.

The Company recognizes costs related to stock-based awards, net of estimated forfeitures, over the awards' requisite service period on a straight-line basis, which is generally four years. The Company estimates forfeitures based on historical experience. The respective expenses are recognized as employee benefits and classified in the Consolidated Statements of Operations according to the activities that the employees perform.

Defined Contribution Plan

The Company offers various defined contribution plans for its U.S. and non-U.S. employees. The Company matches a portion of employee contributions each pay period, subject to maximum aggregate matching amounts, or contributes based on local legislative rates for eligible employees. Total defined contribution plan expense was $137.3 million, $114.5 million, and $96.3 million for fiscal years 2026, 2025, and 2024, respectively.

Advertising Costs

Advertising costs are expensed as incurred as a component of marketing and sales expense in the Consolidated Statements of Operations. Advertising expense was $206.4 million, $153.1 million, and $100.2 million for fiscal years 2026, 2025, and 2024, respectively.

Research and Development

Research and development costs are expensed as incurred and consist of the employee, software, and hardware costs incurred for the development of new apps, AI agents and products, enhancements and updates of existing offerings and quality assurance activities. The costs incurred for the development of the Company's cloud-based platform and internal use software are evaluated for capitalization during the development phase. The Company did not capitalize software development costs on its Consolidated Balance Sheet for the periods presented.

Concentration of Credit Risk and Significant Customers

Financial instruments potentially exposing the Company to credit risk consist primarily of cash, cash equivalents, accounts receivable, derivative contracts and investments. The Company holds cash at financial institutions that management believes are high credit, quality financial institutions and invests in investment grade securities rated A- and above and debt securities. The Company's derivative contracts expose it to credit risk to the extent that the counterparties may be unable to meet the terms of the arrangement. The Company enters into master netting agreements with select financial institutions to reduce its credit risk and trades with several counterparties to reduce its concentration risk with any single counterparty. The Company does not have significant exposure to counterparty credit risk at this time. In addition, the Company does not require nor is required to post collateral of any kind related to any foreign currency derivatives.

Credit risk arising from accounts receivable is mitigated to a certain extent due to the Company's large number of customers and their dispersion across various industries and geographies. The Company's customer

base is highly diversified, thereby limiting credit risk. The Company manages credit risk with customers by closely monitoring its receivables and contract assets. The Company continuously monitors outstanding receivables locally to assess whether there is objective evidence that outstanding accounts receivables and contract assets are credit-impaired. As of June 30, 2026 and June 30, 2025, no customer represented more than 10% of the total accounts receivable balance. For fiscal years ended June 30, 2026, 2025, and 2024, no customer represented more than 10% of the total revenues.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities represent temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their corresponding tax basis used in the computation of taxable income. The Company measures deferred tax assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be reversed. The Company recognizes the effect on deferred tax assets and liabilities of a change in tax rates within the provision for income taxes as expense and income in the period that includes the enactment date. The Company accounts for the tax impact of including Global Intangible Low-Taxed Income in U.S. taxable income as a period cost. A valuation allowance is established if it is more likely than not that all or a portion of the deferred tax asset will not be realized.

Changes in deferred tax assets or liabilities are recognized as a component of benefit from (provision for) income taxes in the Consolidated Statements of Operations, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively. Where deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets are regularly evaluated for future realization and reduced by a valuation allowance to an amount for which realization is more likely than not. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing temporary differences, projected future taxable income, tax planning strategies, carry back potential if permitted under the tax law, and results of recent operations. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the amount of future taxable income, together with future tax-planning strategies. Assumptions about the generation of future taxable income depend on management's estimates of future cash flows, future business expectations, capital expenditures, dividends, and other capital management transactions. Management judgment is also required in relation to the application of income tax legislation, which involves complexity and an element of uncertainty. In the event there is a change in the Company's assessment of its ability to recover deferred tax assets, the income tax provision would be adjusted accordingly, resulting in a corresponding adjustment to the Consolidated Statements of Operations.

Uncertain tax positions are recorded in accordance with Accounting Standards Codification Topic 740 *Income Taxes* ("ASC 740"), Income Taxes. ASC 740 specifies a two-step process in which (1) the Company determines whether it's more likely than not that tax positions will be sustained on the basis of the technical merits of the position, and (2) for those positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more likely than not to be realized upon ultimate settlement with the related tax authority. The Company considers many factors when evaluating uncertain tax positions, which involve significant judgment and may require periodic reassessment. The Company recognizes interest and penalties related to unrecognized tax benefits as a component of income tax expense. For details of taxation, please refer to Note 18, "*Income Taxes.*"

Recently Adopted Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Update ("ASU") No. 2023-09 *"Income Taxes (Topic 740): Improvements to Income Tax Disclosures."* This ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. This ASU is effective for fiscal years beginning after December 15, 2024. The Company adopted ASU 2023-09 on a prospective basis effective July 1, 2025. Refer to Note 18, *"Income Taxes"* for further information.

New Accounting Standards Not Yet Adopted in Fiscal Year 2026

In November 2024, the FASB issued ASU No. 2024-03 *"Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures."* This ASU requires disaggregated disclosure of income statement expenses for public entities. The ASU does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. This ASU is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. The Company is currently evaluating the impact of the new guidance on its consolidated financial statements and disclosures.

In July 2025, the FASB issued ASU 2025-05 "*Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets for Private Companies and Certain Not-for-Profit Entities,"* which amends ASC 326-20 to provide a practical expedient and an accounting policy election (for all entities, other than public business entities that elect the practical expedient) related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606. This ASU is effective for fiscal years beginning after December 15, 2025, and early adoption is permitted. The Company is currently evaluating the impact of the new guidance and does not expect it to have a material impact on its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06 *"Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software."* This ASU makes targeted improvements to modernize the accounting for internally developed software subject to ASC 350-40. This ASU is effective for fiscal years beginning after December 15, 2027, and early adoption is permitted. The Company is currently evaluating the impact of the new guidance on its consolidated financial statements.

3. Fair Value Measurements

The following table presents the Company's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2026, by level within the fair value hierarchy (in thousands):

	Level 1	Level 2	Total
Assets measured at fair value			
Cash and cash equivalents:			
Money market funds	$ 727,056	$ —	$ 727,056
Derivative financial instruments	—	17,506	17,506
Total assets measured at fair value	$ 727,056	$ 17,506	$ 744,562
Liabilities measured at fair value			
Derivative financial instruments	$ —	$ 17,005	$ 17,005
Total liabilities measured at fair value	$ —	$ 17,005	$ 17,005

The following table presents the Company's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2025, by level within the fair value hierarchy (in thousands):

	Level 1	Level 2	Total
Assets measured at fair value			
Cash and cash equivalents:			
Money market funds	$ 1,774,138	$ —	$ 1,774,138
Corporate debt securities	—	382	382
Marketable securities:			
U.S. treasury securities	—	176,661	176,661
Agency securities	—	3,216	3,216
Certificates of deposit and time deposits	—	10,000	10,000
Commercial paper	—	19,697	19,697
Corporate debt securities	—	214,694	214,694
Derivative financial instruments	—	23,234	23,234
Total assets measured at fair value	$ 1,774,138	$ 447,884	$ 2,222,022
Liabilities measured at fair value			
Derivative financial instruments	$ —	$ 2,445	$ 2,445
Total liabilities measured at fair value	$ —	$ 2,445	$ 2,445

Due to the short-term nature of accounts receivable, net, contract assets, accounts payable, accrued expenses, and other current liabilities, their carrying amount is assumed to approximate their fair value.

Determination of Fair Value

The Company uses quoted prices in active markets for identical assets to determine the fair value of the Company's Level 1 investments. The fair value of the Company's Level 2 investments is determined based on quoted market prices or alternative market observable inputs.

Strategic Investments Measured and Recorded at Fair Value on a Non-Recurring Basis

The Company's investments in privately held companies are not included in the tables above and are discussed in Note 4, "Investments." The carrying value of the Company's privately held equity securities are adjusted on a non-recurring basis upon observable price changes in orderly transactions for identical or similar investments of the same issuer, or impairment (referred to as the measurement alternative). Privately held equity securities that have been remeasured during the period based on observable price changes in orderly transactions are classified within Level 2 or Level 3 in the fair value hierarchy because the Company estimates the value based

on valuation methods which may include a combination of the observable transaction price at the transaction date and other unobservable inputs including volatility, rights and preferences of the investments, and obligations of the securities the Company holds. The fair value of privately held equity securities that have been remeasured due to impairment is classified within Level 3. The Company's privately held debt and equity securities amounted to $157.3 million and $168.8 million as of June 30, 2026 and June 30, 2025, respectively.

4. Investments

Marketable Securities

The Company did not have any investments of marketable securities as of June 30, 2026.

The Company's investments of marketable securities as of June 30, 2025, consisted of the following (in thousands):

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Marketable debt securities				
U.S. treasury securities	$ 176,338	$ 388	$ (65)	$ 176,661
Agency securities	3,197	19	—	3,216
Certificates of deposit and time deposits	10,000	—	—	10,000
Commercial paper	19,697	—	—	19,697
Corporate debt securities	214,190	527	(23)	214,694
Total marketable securities	$ 423,422	$ 934	$ (88)	$ 424,268

The table below summarizes the Company's marketable securities by remaining contractual maturity as of June 30, 2025 (in thousands):

	June 30, 2025
Due in one year or less	$ 271,923
Due in one year through five years	152,345
Total marketable debt investments	$ 424,268

The Company regularly reviewed the changes to the rating of its marketable securities by rating agencies and monitored the surrounding economic conditions to assess the risk of expected credit losses. As of June 30, 2025, unrealized losses and the related risk of expected credit losses were not material.

Strategic Investments

Carrying value of privately held debt securities

The Company's investments of privately held debt securities as of June 30, 2026, consisted of the following (in thousands):

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Privately held debt securities	$ 7,180	$ —	$ (2,750)	$ 4,430

The Company's investments of privately held debt securities as of June 30, 2025, consisted of the following (in thousands):

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Privately held debt securities	$ 7,780	$ —	$ (3,350)	$ 4,430

Carrying value of privately held equity securities

Privately held equity securities are measured using the measurement alternative. The carrying value is measured as the total initial cost plus the cumulative net gain (loss).

The carrying values of privately held equity securities as of June 30, 2026 are summarized below (in thousands):

	Privately held equity securities
Initial total cost	$ 145,802
Cumulative net gains	7,034
Carrying value	$ 152,836

Privately held equity securities' cumulative net gains were comprised of upward adjustments of $14.9 million and downward adjustments and impairment of $7.9 million as of June 30, 2026.

The carrying values of privately held equity securities as of June 30, 2025 are summarized below (in thousands):

	Privately held equity securities
Initial total cost	$ 166,302
Cumulative net losses	(1,909)
Carrying value	$ 164,393

Privately held equity securities' cumulative net losses were comprised of downward adjustments and impairment charges of $8.5 million and upward adjustments of $6.6 million as of June 30, 2025.

Gains and Losses on Strategic Investments

The components of gains and losses on strategic investments were as follows (in thousands):

	Fiscal Year Ended June 30,		
	2026	2025	2024
Unrealized gains recognized on privately held equity securities	$ 9,846	$ 1,549	$ 2,084
Unrealized losses recognized on privately held equity securities including impairment	(3,820)	(967)	(1,628)
Unrealized losses on privately held debt securities	(250)	—	(500)
Unrealized gains (losses), net	$ 5,776	$ 582	$ (44)
Realized gains recognized on publicly traded equity securities	14,658	—	515
Realized gains (losses) recognized on privately held equity securities	1,367	(3,142)	(2,546)
Realized gains on debt securities	228	—	—
Gains (losses) on strategic investments, net	$ 22,029	$ (2,560)	$ (2,075)
Unrealized gains recognized during the reporting period on privately held equity securities still held at the reporting date	$ 6,026	$ 582	$ 456

Unrealized gains recognized on privately held equity securities include upward adjustments from equity securities accounted for under the measurement alternative, while unrealized losses recognized on privately held equity securities include downward adjustments and impairment. Realized gains on sales of privately held securities, net, reflect the difference between the sale proceeds and the carrying value of the security at the beginning of the period or the purchase date, if later.

Realized gains (losses) recognized on publicly traded equity securities, privately held equity securities, and debt securities, reflect the difference between the sale proceeds and the carrying value of the security at the beginning of the period or the purchase date, if later.

Equity Method Investment

Vertical First Trust ("VFT") was established for the construction project associated with the Company's new global headquarters in Sydney, Australia (the "Australian HQ Property"). In fiscal year 2023, the Company completed a non-cash sale of the controlling interest of VFT to a third-party buyer as part of the contemplated transactions for the buyer to invest in and develop the Australian HQ Property. The maximum exposure to loss related to the Company's investment in VFT equals the Company's capital investment.

The Company retained a minority equity interest of 13% in the form of ordinary units in VFT and has significant influence in VFT. The Company's interest in VFT is accounted for using the equity method in the consolidated financial statements. Under the equity method, the Company records its proportionate share of VFT's earnings or losses.

The following table sets forth the carrying amounts of the equity method investment and the movements during fiscal years 2025 and 2026 (in thousands):

	Equity Method Investment
Balance as of June 30, 2024	$ 74,510
Share of losses	(20,433)
Effect of change in exchange rates	(958)
Balance as of June 30, 2025	$ 53,119
Effect of change in exchange rates	2,762
Balance as of June 30, 2026	$ 55,881

The carrying amount of the Company's investment in VFT was reported within strategic investments in the Company's Consolidated Balance Sheets.

5. Derivative Contracts

The Company has derivative instruments that are used for hedging activities as discussed below.

The following table sets forth the notional amounts of the Company's hedging derivative instruments as of June 30, 2026 (in thousands):

	Notional Amounts of Derivative Instruments					
	Notional Amount by Term to Maturity			Classification by Notional Amount		
	Under 12 months	Over 12 months	Total	Cash Flow Hedge	Non Hedge	Total
Forward contracts	$ 1,030,684	$ 62,031	$ 1,092,715	$ 704,613	$ 388,102	$ 1,092,715

The following table sets forth the notional amounts of the Company's hedging derivative instruments as of June 30, 2025 (in thousands):

	Notional Amounts of Derivative Instruments					
	Notional Amount by Term to Maturity			Classification by Notional Amount		
	Under 12 months	Over 12 months	Total	Cash Flow Hedge	Non Hedge	Total
Forward contracts	$ 1,064,280	$ 79,858	$ 1,144,138	$ 765,613	$ 378,525	$ 1,144,138

The fair value of the Company's derivative instruments were as follows (in thousands):

	Balance Sheet Location	As of June 30, 2026	As of June 30, 2025
Derivative assets			
Derivatives designated as hedging instruments:			
Foreign exchange forward contracts	Prepaid expenses and other current assets	$ 17,110	$ 16,210
Foreign exchange forward contracts	Other non-current assets	156	3,715
Derivatives not designated as hedging instruments:			
Foreign exchange forward contracts	Prepaid expenses and other current assets	240	3,309
Total derivative assets		$ 17,506	$ 23,234
Derivative liabilities			
Derivatives designated as hedging instruments:			
Foreign exchange forward contracts	Accrued expenses and other current liabilities	$ 10,085	$ 2,409
Foreign exchange forward contracts	Other non-current liabilities	988	—
Derivatives not designated as hedging instruments:			
Foreign exchange forward contracts	Accrued expenses and other current liabilities	5,932	36
Total derivative liabilities		$ 17,005	$ 2,445

The pre-tax effects of derivatives designated as cash flow hedging instruments on the consolidated financial statements were as follows (in thousands):

	Fiscal Year Ended June 30, 2026	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Beginning balance of accumulated gains in accumulated other comprehensive loss	$ 24,679	$ 41,424	$ 48,170
Gross unrealized gains (losses) recognized in other comprehensive loss	7,877	(1,897)	10,826
Net losses (gains) reclassified from cash flow hedge in accumulated other comprehensive loss into profit or loss:			
Recognized in cost of revenues	43	1,447	1,072
Recognized in research and development	(12,840)	7,194	7,718
Recognized in marketing and sales	(3,223)	1,027	1,264
Recognized in general and administrative	(3,033)	1,828	2,320
Recognized in interest	(7,163)	(26,344)	(29,946)
Ending balance of accumulated gains in accumulated other comprehensive loss	$ 6,340	$ 24,679	$ 41,424

6. Property and Equipment

Property and equipment, net consisted of the following (in thousands):

	As of June 30,	
	2026	2025
Equipment	$ 16,270	$ 15,008
Computer hardware and software	73,057	58,559
Furniture and fittings	27,676	25,217
Leasehold improvements and other	125,604	154,113
Property and equipment, gross	242,607	252,897
Less: accumulated depreciation	(156,305)	(147,779)
Property and equipment, net	$ 86,302	$ 105,118

Depreciation expense was $39.2 million, $36.9 million, and $29.0 million for fiscal years 2026, 2025, and 2024, respectively. During fiscal year 2026, the Company recorded a $18.7 million impairment charge for leasehold improvements and other as a result of the Company's restructuring efforts. Refer to Note 14, "*Restructuring*," for additional information.

7. Business Combinations

The Browser Company of New York Inc.

On October 20, 2025, the Company acquired 100% of the outstanding equity of The Browser Company of New York Inc. ("BCNY"), the company behind the Dia and Arc browsers. The total purchase price was $488.3 million, composed of $481.5 million in cash and $6.8 million in non-cash settlement of existing BCNY shares included in the Company's strategic investments. The acquisition of BCNY further expands offerings to Atlassian customers by providing a browser for enterprises designed for knowledge workers using SaaS applications in the AI-era.

The following table summarizes the preliminary fair values of assets acquired and liabilities assumed as of the date of acquisition (in thousands):

	Fair Value
Cash and cash equivalents	$ 22,160
Prepaid expenses and other current assets	1,235
Intangible assets, net	91,000
Goodwill	376,885
Accrued expenses and other current liabilities	(2,102)
Deferred tax liabilities	(832)
Net assets acquired	$ 488,346

The excess of purchase price over the fair value of assets acquired and liabilities assumed was recorded as goodwill. The resulting goodwill is primarily attributed to the assembled workforce and expanded market opportunities, including providing the BCNY browsers to customers as an additional product along with existing Company offerings. The goodwill is not deductible in the U.S. for income tax purposes. The fair values assigned to assets acquired and liabilities assumed are preliminary and based on management's estimates and assumptions which may be subject to change as additional information is received. The primary areas that remain preliminary relate to the fair values of certain intangible assets acquired, certain tangible assets and liabilities acquired, contingencies as of the acquisition date, income tax, including deferred taxes, and residual goodwill. The Company expects to finalize the valuation no later than one year from the acquisition date.

The following table sets forth the components of identifiable intangible assets acquired and their estimated useful lives as of the date of acquisition (in thousands, except for useful life):

	Fair Value	Useful Life (years)
Developed Technology	$ 80,000	3
Trade Name	11,000	3

Developed technology represents the estimated fair value of BCNY's AI-enabled browser technology. Trade name represents the estimated fair value of the BCNY trade name.

In connection with the transaction, the Company granted $8.2 million worth of replacement awards in the form of restricted stock units ("RSU") to BCNY employees and $97.0 million worth of RSU awards to certain key BCNY employees. The fair value of the RSU awards was based on the stock price of the Company on the grant date. The RSU awards are subject to future vesting provisions based on service conditions, and the related expense is accounted for as stock-based compensation and classified in the consolidated statement of operations according to the activities that the employees perform.

A Software Company

On November 10, 2025, the Company acquired 100% of the outstanding equity of A Software Company ("DX"), which specializes in engineering intelligence. The acquisition of DX further expands the offerings to Atlassian customers and enhances the Company's Collections. The total purchase price was composed of $720.4 million in cash.

The following table summarizes the preliminary fair values of assets acquired and liabilities assumed as of the date of acquisition (in thousands):

	Fair Value
Cash and cash equivalents	$ 27,910
Accounts Receivable	6,529
Other non-current assets	9,929
Intangible assets, net	182,800
Goodwill	557,439
Accrued expenses and other current liabilities	(1,706)
Deferred revenue, current	(25,482)
Deferred tax liabilities	(26,865)
Other non-current liabilities	(10,192)
Net assets acquired	$ 720,362

The excess of purchase price over the fair value of assets acquired and liabilities assumed was recorded as goodwill. The resulting goodwill is primarily attributed to the assembled workforce and expanded market opportunities, including integrating the DX engineering intelligence platform with existing Company offerings. The goodwill is not deductible in the U.S. for income tax purposes. The fair values assigned to assets acquired and liabilities assumed are preliminary and based on management's estimates and assumptions which may be subject to change as additional information is received. The primary areas that remain preliminary relate to the fair values of certain intangible assets acquired, certain tangible assets and liabilities acquired, contingencies as of the acquisition date, income tax, including deferred taxes, and residual goodwill. The Company expects to finalize the valuation no later than one year from the acquisition date.

The following table sets forth the components of identifiable intangible assets acquired and their estimated useful lives as of the date of acquisition (in thousands, except for useful life):

	Fair Value	Useful Life (years)
Developed Technology	$ 138,000	5
Trade Name	37,000	5
Customer Relationships	4,800	5
Backlog	3,000	3

Developed technology represents the estimated fair value of DX's engineering intelligence technology. Trade name represents the estimated fair value of the DX trade name.

In connection with the transaction, the Company granted $201.8 million in restricted stock awards ("RSAs") and provided $38.9 million in deferred cash compensation to certain key DX employees. The fair value of the RSAs was based on the Company's stock price on the grant date. Both the RSAs and cash compensation are subject to future vesting provisions based on service conditions. The related expense for the RSAs and cash compensation is accounted for as employee compensation expense, specifically stock-based compensation related to the RSAs, and is classified in the consolidated statement of operations according to the activities that the employees perform.

Other Fiscal Year 2026 Business Combinations

During the fiscal year 2026, the Company also completed two additional acquisitions to expand its offerings. These transactions were accounted for as business combinations and were not material individually or in the aggregate to the consolidated financial statements.

Total transaction costs incurred related to the business combinations were not material for fiscal year 2026.

The Company has included the financial results of BCNY, DX, and the other two additional business combinations described above in its consolidated financial statements from the date of acquisition, which were not material for fiscal year 2026. Pro forma results of operations have not been presented for fiscal year 2026 because the effect of the acquisitions individually and in the aggregate would not be material to the Company's consolidated financial statements.

8. Goodwill and Intangible Assets

Goodwill

Goodwill represents the excess of the purchase price in a business combination over the fair value of net tangible and intangible assets acquired. Goodwill amounts are not amortized but rather tested for impairment at least annually during the fourth quarter, or when indicators of impairment exist.

Goodwill consisted of the following (in thousands):

	Goodwill
Balance as of June 30, 2024	$ 1,288,756
Additions	14,022
Effect of change in exchange rates	1,667
Balance as of June 30, 2025	1,304,445
Additions	999,340
Effect of change in exchange rates	(1,046)
Balance as of June 30, 2026	$ 2,302,739

Intangible Assets

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

	Gross Carrying Amount	Accumulated Amortization	Net
Acquired developed technology	$ 700,032	$ (356,383)	$ 343,649
Patents, trade names, and other rights	118,928	(50,555)	68,373
Customer relationships	143,487	(123,251)	20,236
Total Intangible Assets	$ 962,447	$ (530,189)	$ 432,258

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

	Gross Carrying Amount	Accumulated Amortization	Net
Acquired developed technology	$ 466,932	$ (278,525)	$ 188,407
Patents, trade names, and other rights	70,928	(37,337)	33,591
Customer relationships	135,687	(112,845)	22,842
Total Intangible Assets	$ 673,547	$ (428,707)	$ 244,840

The weighted-average remaining useful lives of the Company's acquired intangible assets as of June 30, 2026 are as follows:

	Weighted-Average Remaining Useful Lives (years)
Acquired developed technology	4
Patents, trade names, and other rights	4
Customer relationships	3

Amortization expense for intangible assets was approximately $101.5 million, $55.5 million, and $49.7 million for fiscal years 2026, 2025, and 2024, respectively.

The following table presents the estimated future amortization expense related to intangible assets held as of June 30, 2026 (in thousands):

Fiscal Years:	
2027	$ 120,007
2028	117,244
2029	87,814
2030	73,839
2031	31,108
Thereafter	2,246
Total future amortization expense	$ 432,258

9. Accrued Expenses and Other Current Liabilities

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

	As of June 30,	
	2026	2025
Accrued expenses	$ 198,206	$ 180,197
Employee benefits	468,473	422,986
Customer deposits	19,185	16,396
Tax liabilities	17,429	36,726
Derivative liabilities	16,017	2,445
Other payables	45,269	22,851
Total accrued expenses and other current liabilities	$ 764,579	$ 681,601

10. Leases

The Company rents office space and equipment under non-cancelable operating leases with various expiration dates through fiscal year 2034. Certain lease agreements include varying terms, escalation clauses and renewal rights. The Company does not assume renewals in its determination of the lease term unless the renewals are deemed to be reasonably certain at lease commencement. The Company's lease agreements generally do not contain any material residual value guarantees or material restrictive covenants.

The components of lease costs and other information related to leases were as follows (in thousands):

	Fiscal Year Ended June 30,		
	2026	2025	2024
Operating lease costs	$ 38,681	$ 43,720	$ 41,426
Variable lease costs	17,200	14,781	11,908
Total lease costs	$ 55,881	$ 58,501	$ 53,334
Weighted average remaining lease term (in years)	4	5	6
Weighted average discount rate	3.5 %	3.1 %	2.9 %

Supplemental cash flow information related to operating leases were as follows (in thousands):

	Fiscal Year Ended June 30,		
	2026	2025	2024
Cash payments for operating leases	$ 56,010	$ 52,981	$ 49,803
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 40,601	$ 34,717	$ 23,265

Future lease payments under non-cancelable operating leases with initial lease terms in excess of one year included in the Company's lease liabilities as of June 30, 2026 were as follows (in thousands):

Fiscal years:	Operating Lease Payments
2027	$ 56,148
2028	51,985
2029	42,186
2030	18,527
2031	19,078
Thereafter	87,443
Total future operating lease payments	275,367
Less: imputed interest	(32,017)
Total lease liability balance	$ 243,350

During fiscal year 2026, in addition to operating lease costs disclosed above, the Company recorded an impairment charge of $80.0 million in aggregate for operating lease right-of-use assets as a result of its facilities consolidation restructuring efforts. Refer to Note 14, "*Restructuring*," for additional information.

The Company entered into an Agreement for Lease (the "AFL") for the Australian HQ Property in March 2022. Following the completion of the development of the Australian HQ Property, the AFL requires the Company to enter into a lease agreement for the planned headquarters office space. The lease is expected to commence in fiscal year 2027 and will continue for fifteen years, with the Company's option to extend the term for up to two additional ten-year periods. Future lease payments are approximately $959.8 million as of June 30, 2026, for the initial term of fifteen years. Please refer to Note 4, "*Investments,*" for details of the transaction.

11. Debt

Credit Facility

In August 2024, the Company's principal U.S. operating subsidiary, Atlassian US, Inc., entered into an amended and restated credit agreement (the "2024 Credit Agreement") which eliminated a term loan facility and provides for a $750 million senior unsecured revolving credit facility (the "2024 Credit Facility"). The 2024 Credit Agreement replaced the Company's prior credit agreement entered into in October 2020 ("2020 Credit Agreement") which provided for a $1 billion senior unsecured delayed-draw term loan facility (the "Term Loan") and a $500 million senior unsecured revolving credit facility.

The 2024 Credit Facility bears interest, at the Company's option, at a base rate or the Secured Overnight Financing Rate, plus, in each case, a spread of 0.875% to 1.50% per annum. In each case, the applicable margin will be determined by the consolidated leverage ratio of the Company and its subsidiaries, or, following the Company's one time option, the Company's credit rating. The Company may repay outstanding loans under the 2024 Credit Facility at any time, without premium or penalty, and the Company has the option to request an increase of $250 million in certain circumstances. The 2024 Credit Facility matures in August 2029. As of June 30, 2026, there were no borrowings under the 2024 Credit Facility.

The Company is also obligated to pay a commitment fee on the undrawn amounts of the 2024 Credit Facility at an annual rate ranging from 0.075% to 0.20%, determined by the Company's consolidated leverage ratio, or, following the Company's one time option, the Company's credit rating.

The 2024 Credit Facility requires compliance with various financial and non-financial covenants, including affirmative and negative covenants. The financial covenants include a maximum consolidated leverage ratio of 3.5x, which increases to 4.5x during the period of four fiscal quarters immediately following a material acquisition. As of June 30, 2026, the Company was in compliance with all covenants associated with the 2024 Credit Facility.

Senior Notes

On May 15, 2024, the Company issued $500.0 million aggregate principal amount of 5.250% senior notes due 2029 (the "2029 Notes") and $500.0 million aggregate principal amount of 5.500% senior notes due 2034 (the "2034 Notes," and together with the 2029 Notes, the "Notes"). The Notes will mature on May 15, 2029, and May 15, 2034, respectively. The 2029 Notes bear interest at a rate of 5.250% per year. The 2034 Notes bear interest at a rate of 5.500% per year. Interest on the Notes is paid semi-annually in arrears on May 15 and November 15 of each year, beginning on November 15, 2024.

The Notes are senior unsecured obligations of the Company. The Company may redeem either series of the Notes, in whole or in part, at any time or from time to time at the applicable redemption price. Upon the occurrence of a change of control event, the Company will be required to make an offer to repurchase all outstanding notes from their holders at a price equal to 101% of their principal amount thereof, plus accrued and unpaid interest to, but not including, the date of repurchase. The indenture governing the Notes also includes covenants (including certain limited covenants restricting the Company's ability to incur certain liens and enter into certain sale and leaseback transactions), events of default, and other customary provisions. As of June 30, 2026, the Company was in compliance with all covenants associated with the Notes.

The Company incurred debt discount and issuance costs of approximately $14.3 million in connection with the Notes offering, which were allocated on a pro rata basis to the 2029 Notes and 2034 Notes. The debt discount and issuance costs are amortized on an effective interest rate method to interest expense over the contractual term of the Notes. The proceeds from this offering, net of debt discounts and issuance costs, were $985.7 million. The net proceeds were used primarily to repay the Term Loan.

The components of the Notes were as follows (in thousands, except percentage data):

Instrument	Expected Remaining Term (years)	Contractual Interest Rate	Effective Interest Rate	June 30, 2026	June 30, 2025
2029 Notes	2.9	5.25 %	5.55 %	$ 500,000	$ 500,000
2034 Notes	7.9	5.50 %	5.71 %	500,000	500,000
Unamortized debt discount and issuance costs				(10,440)	(12,316)
Long-term debt				$ 989,560	$ 987,684

The total estimated fair value of the Notes was approximately $1.00 billion and $1.03 billion as of June 30, 2026, and 2025, respectively. The estimated fair value of the Notes, which the Company deems Level 2 financial instruments, was determined based on quoted bid prices in an over-the-counter market on the last trading day of the reporting period.

12. Commitments and Contingencies

Noncancellable Purchase Obligations

The Company has contractual commitments for services with third-parties related to its cloud services platform, marketing related contracts and other services. These commitments are non-cancellable with contractual terms ranging from two to seven years. There were no material contractual commitments that were entered into during fiscal year 2026 that were outside the ordinary course of business.

The following table sets forth contractual commitments as of June 30, 2026 and 2025 (in thousands):

	Fiscal Year Ended June 30,	
	2026	2025
Contractual purchase obligations	$ 3,735,049	$ 1,814,106
Obligations for leases that have not yet commenced	959,795	912,344
Total purchase obligation	$ 4,694,844	$ 2,726,450

Maturities of purchase obligations as of June 30, 2026 were as follows (in thousands):

	Other contractual commitments	Leases not commenced	Total
Fiscal Years:			
2027	$ 663,118	$ 27,961	$ 691,079
2028	680,631	49,052	729,683
2029	609,256	51,014	660,270
2030	577,647	53,054	630,701
2031	653,397	55,176	708,573
Thereafter	551,000	723,538	1,274,538
Total commitments	$ 3,735,049	$ 959,795	$ 4,694,844

Please refer to Note 10, "*Leases*," for discussion of lease commitments that the Company has entered but the leases have not yet commenced.

Legal Proceedings

From time to time, the Company is party to litigation and other legal proceedings in the ordinary course of business. While the Company does not believe the ultimate resolutions of these pending legal matters are likely to have a material adverse effect on the Company's financial position, the results of any litigation or other legal proceedings are uncertain and as such the resolution of such legal proceedings, either individually or in the aggregate, could have a material adverse effect on its business, results of operations, financial condition or cash flows. The Company accrues for loss contingencies when it is both probable that it will incur the loss and when it can reasonably estimate the amount of the loss or range of loss. For the periods presented, the Company has not recorded any material liabilities as a result of the litigation or other legal proceedings in the consolidated financial statements.

Indemnification Provisions

The Company's agreements include provisions indemnifying customers against intellectual property and other third-party claims. In addition, the Company has entered into indemnification agreements with its directors, executive officers, and certain other officers that will require the Company to, among other things, indemnify these individuals for certain liabilities that may arise as a result of their affiliation with the Company. For the periods presented, the Company has not incurred any costs as a result of such indemnification obligations and has not recorded any liabilities related to such obligations in the consolidated financial statements.

13. Revenue

Remaining Performance Obligations

The transaction price allocated to the remaining performance obligations represents contracted revenue that has not yet been recognized, which includes deferred revenue and unbilled amounts that will be recognized as revenue in future periods. Transaction price allocated to the remaining performance obligations is influenced by several factors, including the timing of renewals, the timing of delivery of software licenses, average contract terms, and foreign currency exchange rates. Unbilled portions of the remaining performance obligations are subject to future economic risks including bankruptcies, regulatory changes, and other market factors.

As of June 30, 2026, approximately $4.8 billion of revenue is expected to be recognized from transaction price allocated to remaining performance obligations. The Company expects to recognize revenue on approximately 65% of these remaining performance obligations over the next 12 months, with the balance recognized thereafter.

Disaggregated Revenue

The Company's revenues by geographic region based on end-users who purchased the Company's offerings were as follows (in thousands):

	Fiscal Year Ended June 30,		
	2026	2025	2024
Americas			
United States	$ 2,760,458	$ 2,182,073	$ 1,847,194
Other Americas	405,910	334,828	278,240
Total Americas	3,166,368	2,516,901	2,125,434
EMEA			
Germany	692,300	539,550	442,063
Other EMEA	2,000,288	1,584,421	1,308,847
Total EMEA	2,692,588	2,123,971	1,750,910
Asia Pacific	713,352	574,432	482,259
Total revenues	$ 6,572,308	$ 5,215,304	$ 4,358,603

The Company provides different deployment options for its offerings. Cloud offerings provide customers the right to use the Company's software in a cloud-based infrastructure that the Company provides. Data Center offerings are on-premises term license agreements for the Company's Data Center products, which are software licensed for a specified period, and include support and maintenance services that are bundled with the license for the term of the license period. Marketplace and other offerings mainly include fees received for sales of third-party apps in the Atlassian Marketplace and services like premier support, advisory services and training services. Premier support consists of subscription-based arrangements for a higher level of support across different deployment options, and revenues from this offering are included in Subscription revenues within the Company's consolidated statements of operations.

In September 2025, the Company announced plans to end-of-life its Data Center offering. As of March 2026, the Company no longer sells term licenses to new customers, and the Company will stop selling term licenses and expansions to existing customers in March 2028. Subject to limited exceptions, the Company plans to end maintenance and support for its Data Center offerings in March 2029.

The Company's revenues by deployment options are as follows (in thousands):

	Fiscal Year Ended June 30,		
	2026	2025	2024
Cloud	$ 4,410,627	$ 3,447,427	$ 2,698,899
Data Center	1,830,941	1,467,167	1,208,498
Server	—	—	177,645
Marketplace and other	330,740	300,710	273,561
Total revenues	$ 6,572,308	$ 5,215,304	$ 4,358,603

Contract Assets

The Company records a contract asset when revenue recognized on a contract exceeds the billings and the Company has an unconditional right to payment. Contract assets were $53.5 million and $3.3 million as of June 30, 2026 and 2025, respectively, and are included in prepaid expenses and other current assets in the Company's Consolidated Balance Sheets.

Deferred Revenue

The Company records deferred revenues when cash payments are received or due in advance of the Company satisfying its performance obligations, including amounts that are refundable. The changes in the balances of deferred revenue were as follows (in thousands):

	Fiscal Year Ended June 30,	
	2026	2025
Balance, beginning of period	$ 2,481,254	$ 2,114,736
Additions	6,752,745	5,581,822
Revenue	(6,572,308)	(5,215,304)
Balance, end of period	$ 2,661,691	$ 2,481,254

For fiscal years 2026 and 2025, approximately 32% and 34% of revenue recognized was from the deferred revenue balances at the beginning of each fiscal year, respectively.

Deferred Contract Acquisition Costs

The changes in the balances of deferred contract acquisition costs were as follows (in thousands):

	Fiscal Year Ended June 30,	
	2026	2025
Balance, beginning of period	$ 136,340	$ 79,711
Additions	135,116	96,869
Amortization expense	(68,099)	(40,240)
Balance, end of period	$ 203,357	$ 136,340
Deferred contract acquisition costs included in:		
Prepaid expenses and other current assets	$ 76,003	$ 50,233
Other non-current assets	127,354	86,107
Total	$ 203,357	$ 136,340

The Company periodically reviews these deferred contract acquisition costs to determine whether events or changes in circumstances have occurred that could impact the period of benefit. There were no impairment losses recorded during the periods presented.

14. Restructuring

During the first quarter of fiscal year 2026, the Company initiated a restructuring plan to reduce capacity that was no longer necessary due to the increased ability, accessibility, performance, stability, and supportability of its products.

During the third quarter of fiscal year 2026, the Company initiated another restructuring plan to accelerate building the future of teamwork in the AI era. This includes self-funding further investment in key strategic priorities, such as AI and enterprise sales, reorganizing its teams to move with more focus and speed across the Atlassian System of Work, and optimizing for long-term operational efficiency and sustainability. This initiative resulted in the elimination of certain roles, which impacted approximately 10% of the Company's workforce.

The execution of these actions, including cash payment of the severance and other termination benefits related liabilities, have been substantially satisfied as of June 30, 2026.

As a result, the Company recorded total severance and other termination benefits of $203.9 million, and additional stock-based compensation of $1.4 million for the affected employees during fiscal year 2026.

In addition, during fiscal year 2026, the Company exited certain leased properties to optimize its real estate footprint and has entered, or plans to enter, into sublease agreements for these locations. As a result, the Company recorded total impairment charges of $80.0 million associated with the optimization of its leased facilities, primarily for operating lease right-of-use assets and leasehold improvements for the fiscal year 2026. The fair values of the impaired assets were estimated using discounted cash flow models (income approach) based on market participant assumptions with Level 3 fair value inputs. The assumptions used in estimating fair value include the expected downtime prior to the commencement of future subleases, projected sublease income over the remaining lease periods, and discount rates that reflect the level of risk associated with receiving future cash flows.

A summary of the Company's restructuring charges for fiscal year 2026, by major activity type was as follows (in thousands):

	Severance and Other Termination Benefits	Stock-based Compensation	Lease Consolidation	Total
Cost of revenue	$ 45,185	$ 1,432	$ 6,647	$ 53,264
Research and development	108,844	—	35,650	144,494
Marketing and sales	25,110	—	26,421	51,531
General and administrative	24,778	—	11,303	36,081
Total	$ 203,917	$ 1,432	$ 80,021	$ 285,370

The following table is a summary of the changes in the liabilities, included within accrued expenses and other current liabilities on the consolidated balance sheets as of June 30, 2026, related to the restructuring charges (in thousands):

	Severance and Other Termination Benefits	Stock-based Compensation	Lease Consolidation	Total
Charges	$ 203,917	$ 1,432	$ 80,021	$ 285,370
Payments	(188,526)	—	(70)	(188,596)
Non-cash items	(446)	(1,432)	(79,951)	(81,829)
Effect of change in exchange rates	(2,094)	—	—	(2,094)
Restructuring provision as of June 30, 2026	$ 12,851	$ —	$ —	$ 12,851

15. Geographic Information

The Company's long-lived assets by geographic regions are as follows (in thousands):

	As of June 30,	
	2026	2025
United States	$ 104,167	$ 168,841
Australia	60,602	54,073
India	25,044	34,909
All other countries	10,548	16,422
Total long-lived assets	$ 200,361	$ 274,245

Long-lived assets for this purpose consist of property and equipment, net and operating lease right-of-use assets.

16. Stockholders' Equity

Common Stock

As of June 30, 2026, the Company's common stock consists of Class A Common Stock and Class B Common Stock, each of which has a par value of $0.00001. Each share of Class B Common Stock will convert automatically into one share of Class A Common Stock in the following circumstances: (1) upon the written consent of the holders of at least 66.66% of the total number of outstanding shares of Class B Common Stock; (2) if the aggregate number of shares of Class B Common Stock then outstanding comprises less than ten percent (10%) of the total number of shares of Class A Common Stock and Class B Common Stock then outstanding; and (3) upon any transfer to a person that is not a permitted transferee described in the Company's amended and restated certificate of incorporation.

Any dividend declared by the Company must be paid on the Class A Common Stock and the Class B Common Stock pari passu as if they were all stock of the same class. Additionally, upon the liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, holders of Class A Common Stock and Class B Common Stock will be entitled to receive ratably on a per share basis all assets of the Company available for distribution to its stockholders, unless disparate or different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and by the affirmative vote of the holders of a majority of the outstanding shares of Class B Common Stock, each voting separately as a class.

Each share of Class A Common Stock is entitled to one vote. Each share of Class B Common Stock is entitled to 10 votes.

Preferred Stock

The Company's board of directors has the authority to issue up to 10 million shares of preferred stock in one or more series. The Company's board of directors may designate the rights, preferences, privileges, and restrictions of the preferred stock, including voting rights, dividend rights, conversion rights, redemption privileges, and liquidation preferences, the right to elect directors to and increase or decrease the number of shares of any series. As of June 30, 2026 and 2025, no shares of preferred stock were outstanding.

Stock-based Compensation

The Company maintains the Atlassian Corporation Amended and Restated 2015 Share Incentive Plan (the "2015 Plan"), and the Atlassian Corporation Amended and Restated 2015 Employee Share Purchase Plan (the "ESPP" and, together with the 2015 Plan, the "Incentive Plans"). At June 30, 2026, the Company had 22,163,095 shares of its common stock available for future issuance under the 2015 Plan. The Company currently does not have common stock outstanding or open offering periods under the ESPP.

RSU grants generally vest evenly over four years on a quarterly basis.

A summary of RSU activity for fiscal year 2026 is as follows (in thousands except share and per share data):

	Number of Shares	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Balance as of June 30, 2025	16,578,020	$ 190.98	$ 3,366,830
Granted	20,012,718	133.12	—
Vested	(8,208,180)	184.85	972,609
Forfeited or cancelled	(6,075,673)	157.80	—
Balance as of June 30, 2026	22,306,885	$ 149.21	$ 1,735,253

The weighted-average grant date fair value of RSUs granted in fiscal years 2025 and 2024 was $179.10 and $199.66, respectively. The total intrinsic value of the RSUs vested in fiscal years 2025 and 2024 was $1.5 billion and $950.3 million, respectively. The income tax benefit recognized related to awards vested in fiscal years 2026, 2025 and 2024 were $235.2 million, $335.1 million, and $218.7 million, respectively. As of June 30, 2026, total compensation cost not yet recognized in the consolidated financial statements related to employee and director RSU awards was $2.5 billion, which is expected to be recognized over a weighted-average period of 2.7 years.

During fiscal year 2026, the Company granted RSAs for 1,353,312 shares of Class A Common Stock in connection with business combinations. During fiscal year 2025, the Company did not grant any RSAs. As of June 30, 2026 and 2025, there were RSAs for 1,355,510 and 90,083 shares of Class A Common Stock outstanding, respectively. These outstanding RSAs are subject to forfeiture following employee termination. The total aggregate intrinsic value of outstanding RSAs was $105.4 million and $18.3 million as of June 30, 2026 and 2025, respectively.

Of the total stock-based compensation expense, costs recognized for awards granted to non-employees were immaterial for all periods presented.

Share Repurchase Program

In September 2024, the Board of Directors authorized a program to repurchase up to $1.5 billion of the Company's outstanding Class A Common Stock (the "2024 Repurchase Program"). The 2024 Repurchase Program commenced in April 2025 following completion of the previous repurchase program. The 2024 Repurchase Program was completed in March 2026.

In October 2025, the Board of Directors authorized a new program under which the Company may repurchase up to an additional $2.5 billion of the Company's outstanding Class A Common Stock (the "2025 Repurchase Program." The 2025 Repurchase Program commenced in March 2026 following completion of the 2024 Repurchase Program.

The 2025 Repurchase Program does not have a fixed expiration date, may be suspended or discontinued at any time, and does not obligate the Company to repurchase any specific dollar amount or to acquire any specific number of shares. The Company may repurchase shares of Class A Common Stock from time to time through open market purchases, in privately negotiated transactions, or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), in accordance with applicable securities laws and other restrictions. The timing, manner, price, and amount of any repurchases will be determined by the Company at its discretion and will depend on a variety of factors, including business, economic, and market conditions, prevailing stock prices, corporate and regulatory requirements, and other considerations.

During fiscal year 2026, the Company repurchased and subsequently retired approximately 19.1 million shares of its Class A Common Stock for approximately $1.8 billion at an average price per share of $94.31. The 1% excise tax instituted by the Inflation Reduction Act is excluded in the total repurchase cost and average price paid. All repurchases were made in open market transactions. As of June 30, 2026, $1.9 billion of the Company's Class A Common Stock remained available for repurchase under the 2025 Repurchase Program.

17. Net Loss Per Share

The Company computes net loss per share of Class A and Class B Common Stock using the two-class method. As the liquidation and dividend rights for both Class A and Class B Common Stock are identical, the net loss is allocated on a proportionate basis to the weighted-average number of shares of common stock outstanding

for the period. Basic net loss per share attributable to Class A and Class B stockholders is computed by dividing the net loss by the weighted-average number of Class A and Class B Common Stock outstanding during the period.

For the calculation of diluted net loss per share, net loss for basic earnings per share is adjusted by the effect of dilutive securities, including awards under the Company's equity compensation plans. The dilutive potential shares of common stock are computed using the treasury stock method or the as-if converted method, as applicable. Since the Company is in a loss position for all periods reported, basic and diluted net loss per share are the same for all periods as the inclusion of potential dilutive shares would have been anti-dilutive.

The following tables present the calculation of basic and diluted net loss per share attributable to common stockholders (in thousands, except per share data):

	Fiscal Year Ended June 30,					
	2026		2025		2024	
	Class A	Class B	Class A	Class B	Class A	Class B
Numerator:						
Net Loss	$ (34,202)	$ (19,626)	$ (160,050)	$ (96,637)	$ (181,587)	$ (118,932)
Denominator:						
Weighted-average shares outstanding, basic and diluted	165,308	94,855	163,230	98,557	156,580	102,553
Net loss per share, basic and diluted	$ (0.21)	$ (0.21)	$ (0.98)	$ (0.98)	$ (1.16)	$ (1.16)

The potential weighted average dilutive securities that were not included in the dilutive earnings per share calculation because the effect would be anti-dilutive were as follows (shares in thousands):

	Fiscal Year Ended June 30,		
	2026	2025	2024
Class A Common Stock RSU awards	16,746	7,423	8,320
Class A Common Stock restricted stock awards	554	29	23
Total potentially dilutive securities	17,300	7,452	8,343

18. Income Taxes

The components of income (loss) before provision for income taxes by U.S. and foreign jurisdictions consist of the following (in thousands):

	Fiscal Year Ended June 30,		
	2026	2025	2024
Domestic	$ (71,814)	$ (137,403)	$ (139,687)
Foreign	93,864	38,508	54,280
Total	$ 22,050	$ (98,895)	$ (85,407)

The provision for income taxes consists of the following (in thousands):

	Fiscal Year Ended June 30,		
	2026	2025	2024
Current:			
Federal	$ 1,270	$ (1,249)	$ 2,134
State	3,472	4,534	3,969
Foreign	94,225	149,908	209,002
Total	98,967	153,193	215,105
Deferred:			
Federal	(22,681)	927	(14,030)
State	(1,333)	1,814	3,680
Foreign	925	1,858	10,357
Total	(23,089)	4,599	7
Total provision for income taxes	$ 75,878	$ 157,792	$ 215,112

The Company adopted ASU 2023-09 on a prospective basis effective July 1, 2025. A reconciliation of the U.S. federal statutory rate to the Company's effective tax rate for the fiscal year 2026 is as follows (in thousands):

	Fiscal Year Ended June 30, 2026	
	Amount	Percent
Tax at U.S. federal statutory rate	$ 4,630	21 %
State, net of the federal benefit (1)	(3,774)	(17)
Foreign tax effects:		
Australia		
Statutory tax rate difference between Australia and the U.S.	(5,885)	(27)
R&D incentive	(8,651)	(39)
Foreign tax credits	(15,791)	(72)
Stock-based compensation	115,305	523
Change in valuation allowance	(79,820)	(362)
Other	5,248	24
India		
Statutory tax rate difference between India and the U.S.	16,131	73
Other	1,193	5
Brazil		
Withholding taxes	7,494	34
Other foreign jurisdictions	23,580	107
Effects of cross border tax laws		
Global intangible low-taxed income	42,216	192
Other	(4,637)	(21)
Tax credits		
Research and development	(38,700)	(175)
Foreign tax credits	(7,855)	(36)
Non-taxable or non-deductible items		
Stock-based compensation	81,330	369
Section 162(m) adjustment	5,871	27
Basis difference in investments	9,559	43
Change in unrecognized tax benefits	34,860	158
Change in valuation allowance	(109,140)	(495)
Other	2,714	12
Provision for income taxes	$ 75,878	344 %

(1) The state that contributed to the majority of the tax effect in this category was California.

A reconciliation between the effective income tax rate and the federal statutory income tax rate applied to the loss before income taxes for years prior to the adoption of ASU 2023-09 is as follows (in thousands):

	Fiscal Year Ended June 30,	
	2025	2024
Tax at federal statutory rate	$ (20,768)	$ (17,935)
State, net of the federal benefit	28,097	16,362
Effects of non-U.S. operations	7,332	(14,575)
Tax credits	(233,946)	(151,912)
Stock-based compensation	94,305	123,719
Non-deductible executive compensation	10,462	6,721
Australian R&D deductions forgone in lieu of R&D credit	29,169	29,502
Foreign taxes	1,159	(131)
Basis difference in investments	(34,562)	14,615
Change in reserves	29,886	32,505
Change in valuation allowance	239,975	174,994
Other	6,683	1,247
Provision for income taxes	$ 157,792	$ 215,112
Effective tax rate (%)	(160)%	(252)%

Income taxes paid, net of refunds received, for the fiscal year 2026 were as follows (in thousands):

	Fiscal Year Ended June 30,
	2026
Federal	$ (7,112)
State	930
Foreign	
Australia	90,592
India	36,077
Netherlands	11,261
All other foreign	28,958
Income taxes, net of amounts refunded	$ 160,706

The following table sets forth significant components of the Company's deferred tax assets and deferred tax liabilities (in thousands). Where necessary, a valuation allowance has been recognized to offset the Company's deferred tax assets by the amount of any tax benefits that are not expected to be realized.

	As of June 30,	
	2026	2025
Deferred tax assets:		
Property and equipment	$ 5,957	$ 11,028
Loss carryforwards	645,268	615,687
Credit carryforwards	460,856	401,629
Operating lease liabilities	55,358	56,962
Basis differences in investments	1,900,521	2,040,203
Provisions, accruals, and prepayments	69,336	66,735
Deferred revenue	242,151	317,761
Capitalized research and development	89,790	113,489
Other	1,197	571
Total deferred tax assets	3,470,434	3,624,065
Less valuation allowance	(3,383,071)	(3,549,451)
Total deferred tax assets, net of valuation allowance	87,363	74,614
Deferred tax liabilities:		
Unrealized investment gains	3,233	4,163
Operating right of use assets	26,689	46,348
Stock-based compensation	1,355	7,205
Intangible assets	79,851	35,495
Other	—	1,522
Total deferred tax liabilities	111,128	94,733
Net deferred tax liabilities	$ (23,765)	$ (20,119)

The Company recorded a valuation allowance of $3.4 billion, $3.5 billion and $3.3 billion as of June 30, 2026, 2025, and 2024, respectively, primarily relating to the basis difference of the U.S. investment in a wholly owned partnership, U.S. net operating loss and credit carryforwards, and the deferred revenue deferred tax assets.

The decrease in valuation allowance in fiscal year 2026 was primarily related to a decrease in the basis difference of the U.S. investment in a wholly owned partnership and the deferred revenue deferred tax assets. The decrease also reflected the release of valuation allowances on certain pre-existing U.S. deferred tax assets that became realizable as a result of deferred tax liabilities recognized in business combinations completed during the year.

The increase in valuation allowance in fiscal years 2025 and 2024 were primarily related to an increase in the basis difference of the U.S. investment in a wholly owned partnership and the deferred revenue deferred tax assets, offset by the utilization of U.S. federal and state net operating losses.

The Company regularly assesses the realizability of its deferred tax assets and establishes a valuation allowance if it is more likely than not that some or all of its deferred tax assets will not be realized. The Company evaluates and weighs all positive and negative evidence such as historic results, future reversals of deferred tax liabilities, projected future taxable income, as well as prudent and feasible tax planning strategies. The assessment requires significant judgment and is performed in each of the applicable jurisdictions. The Company intends to maintain a full valuation allowance on its federal deferred tax assets in the U.S. and Australia until there is sufficient positive evidence to support their reversal.

As of June 30, 2026, the Company had U.S. federal, state, and foreign net operating loss carryforwards of $663.4 million tax effected. Of the $566.0 million tax effected U.S. federal net operating loss carryforwards, $565.8 million may be carried forward indefinitely, and the remaining $0.2 million will begin to expire in 2032. The state net operating loss carryforwards of $97.1 million tax effected begin to expire in 2027. The foreign net operating loss carryforwards of $0.4 million may be carried forward indefinitely. As of June 30, 2026, the Company also had research and development U.S. federal and state tax credits of $277.9 million and $135.7 million, respectively, and U.S. federal foreign tax credits of $59.0 million. The U.S. federal research and development credits will begin

expiring in 2036 if not utilized, and the U.S. federal foreign tax credits will begin expiring in 2034. The state tax credit carryforwards do not expire except for the state research and development credits of Texas which will begin to expire in 2039.

Utilization of the Company's US net operating loss and tax credit carryforwards may be subject to annual limitation due to the ownership change limitations provided by the Internal Revenue Code and similar state provisions. Such an annual limitation could result in the expiration of the net operating loss and tax credit carryforwards before utilization. As of June 30, 2026, the Company also had Polish R&D credits of $16.8 million, which will begin to expire in 2028.

On July 4, 2025, the U.S. government enacted The One Big Beautiful Bill Act which includes, among other provisions, changes to the U.S. corporate income tax system such as allowing of immediate expensing of qualifying domestic research and development expenses and permanent extensions of certain provisions within the Tax Cuts and Jobs Act. Certain provisions were effective for the Company beginning in fiscal year 2026. The changes did not have material impact on the Company's provision for income taxes for the fiscal year 2026.

The Organization for Economic Co-operation and Development released Pillar Two model rules defining a 15% global minimum tax for multinational corporations. Many countries in which the Company operates, including the member states of the EU, have enacted Pillar Two. Based on enacted laws, Pillar Two has not materially impacted the Company's effective tax rate or cash flows. New legislation or guidance could change the Company's current assessment.

U.S. income tax has not been recognized on the excess of the amount for financial reporting over the tax basis of investment in foreign subsidiaries that is indefinitely reinvested outside the United States. Un-remitted earnings become taxable upon repatriation of assets from the subsidiary or a sale or liquidation of the subsidiary. The amount of such un-remitted earnings and the corresponding unrecognized deferred tax liability as of June 30, 2026 is not material.

The Company records a current income tax receivable when income tax payments made to a taxing authority exceed the income tax liability for that jurisdiction. Current income tax receivables were $68.0 million and $15.8 million as of June 30, 2026 and 2025, respectively, and are included in prepaid expenses and other current assets in the Company's Consolidated Balance Sheets.

The Company recognizes the tax benefit of an uncertain tax position only if it concludes it is more likely than not that the position is sustainable upon examination by the taxing authority, based on the technical merits. The tax benefit recognized is measured as the largest amount of benefit which is greater than 50 percent likely to be realized upon settlement with the taxing authority. A reconciliation of the beginning and ending balance of total unrecognized tax benefits is as follows (in thousands):

	Fiscal Year Ended June 30,		
	2026	2025	2024
Beginning of the period	$ 136,882	$ 104,453	$ 122,302
Tax positions taken in prior period:			
Gross increases	—	105	10,887
Gross decreases	(5,302)	(4,547)	—
Tax positions taken in current period:			
Gross increases	47,195	36,871	25,707
Settlements	—	—	(53,648)
Lapse of statute of limitations	(29)	—	—
Currency translation effect	—	—	(795)
End of period	$ 178,746	$ 136,882	$ 104,453

As of June 30, 2026, 2025, and 2024, the Company had gross unrecognized tax benefits of approximately $14.8 million, $0.4 million, and $10.9 million, respectively, that would impact the effective tax rate if recognized.

The Company files income tax returns in the U.S. federal jurisdiction, various state jurisdictions, Australia, and in various other international jurisdictions. Tax years 2012 and forward generally remain open for examination for U.S. federal and state tax purposes. Tax years 2017 and forward generally remain open for examination for non-

U.S. tax purposes. To the extent utilized in future years' tax returns, net operating loss carryforwards as of June 30, 2026, and 2025 will remain subject to examination until the respective tax year is closed.

There are differing interpretations of tax laws and regulations, and as a result, disputes may arise with tax authorities involving issues of the timing and amount of deductions and allocations of income among various tax jurisdictions. The Company believes that adequate amounts have been reserved for any adjustments that may ultimately result from these examinations.

The Company has not recognized any material interest and penalties related to unrecognized tax benefits in the income tax provision during fiscal years 2026, 2025, and 2024, respectively. As of June 30, 2026, 2025, and 2024, the accrual balances were also not material.

ITEM 9. CHANGE IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of June 30, 2026, have concluded that, as of such date, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Our management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in "Internal Control—Integrated Framework" (2013). Our internal control over financial reporting includes policies and procedures that provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with GAAP. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of June 30, 2026. Our independent registered public accounting firm, Ernst & Young LLP, has issued an attestation report with respect to the effectiveness of our internal control over financial reporting, which appears in Part II, Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

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

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURES REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item is incorporated by reference to our Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended June 30, 2026.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference to our Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended June 30, 2026.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated by reference to our Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended June 30, 2026.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The information required by this item is incorporated by reference to our Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended June 30, 2026.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is incorporated by reference to our Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended June 30, 2026.

PART IV

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULE

(a) The following documents are filed as part of this report:

1. Financial Statements

   See Index to Financial Statements in “Item 8. Financial Statements” to this Annual Report on Form 10-K.

2. Financial Statement Schedules

   Schedules not listed above have been omitted because they are not required, not applicable, or the required information is otherwise included.

3. Exhibits

   The exhibits listed below are filed as part of this Annual Report on Form 10-K or are incorporated herein by reference, in each case as indicated below.

Exhibits

Exhibit Number	Description	Provided Herewith	Incorporated by Reference			
			Form	SEC File No.	Exhibit	Filing Date
3.1	Amended and Restated Certificate of Incorporation of Atlassian Corporation, adopted as of September 27, 2022.		8-K	001-37651	3.1	10/03/2022
3.2	Amended and Restated Bylaws of Atlassian Corporation, adopted as of September 30, 2022.		8-K	001-37651	3.2	10/03/2022
4.1	Specimen Class A Common Stock Certificate.		S-8	333-266998	4.3	10/04/2022
4.2	Indenture, dated as of May 15, 2024, between the Company and U.S. Bank Trust Company, National Association, as trustee.		8-K	001-37651	4.1	05/15/2024
4.3	First Supplemental Indenture, dated as of May 15, 2024, between the Company and U.S. Bank Trust Company, National Association, as trustee.		8-K	001-37651	4.2	05/15/2024
4.4	Form of 5.250% senior notes due 2029 (included in Exhibit 4.3).		8-K	001-37651	4.2	05/15/2024
4.5	Form of 5.500% senior notes due 2034 (included in Exhibit 4.3).		8-K	001-37651	4.2	05/15/2024
4.6	Description of Securities.		10-K	001-37651	4.6	08/06/2024

10.1		Amended and Restated Credit Agreement, dated as of August 12, 2024, by and among the Company, Atlassian US, Inc., Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, JPMorgan Chase Bank, N.A. and Morgan Stanley Senior Funding, Inc., as Co-Syndication Agents and L/C Issuers, and the other L/C Issuers and lenders party thereto		10-K	001-37651	10.1	08/06/2024
10.2	#	Form of Indemnification Agreement.		8-K	001-37651	10.2	10/03/2022
10.3	#	Form of Executive Officer Offer Letter.		10-Q	001-37651	10.3	11/04/2022
10.4	#	Atlassian Corporation Amended and Restated 2015 Share Incentive Plan.	X				
10.5	#	Atlassian Corporation Amended and Restated 2015 Employee Share Purchase Plan.	X				
10.6	#	Atlassian Corporation Amended and Restated Executive Severance Plan.		8-K	001-37651	10.6	10/03/2022
10.7	#	Atlassian Corporation Amended and Restated Cash Incentive Bonus Plan.		8-K	001-37651	10.7	10/03/2022
10.8	#	Atlassian Corporation Amended and Restated Non-Employee Director Compensation Policy.		10-K	001-37651	10.1	08/06/2024
10.9	†★	Agreement for Lease, dated March 23, 2022, by and among Atlassian Corporation Plc, Atlassian Pty Ltd, Vertical First Pty Ltd as trustee for the Vertical First Trust, Dexus Property Services Pty Limited, Dexus Funds Management Limited as responsible entity for Dexus Property Trust and Dexus Funds Management Limited as responsible entity for Dexus Operations Trust.		6-K	001-37651	10.1	03/25/2022
10.10	†	Deed of Amendment, dated April 30, 2022, to Agreement for Lease, dated March 23, 2022, by and among Atlassian Corporation Plc, Atlassian Pty Ltd, Vertical First Pty Ltd as trustee for the Vertical First Trust, Dexus Property Services Pty Limited, Dexus Funds Management Limited as responsible entity for Dexus Property Trust and Dexus Funds Management Limited as responsible entity for Dexus Operations Trust.		20-F	001-37651	10.22	08/19/2022
10.11		Guarantor Replacement Deed, dated November 8, 2022, to the Agreement for Lease, dated March 23, 2022, by and among Atlassian Corporation Limited (formerly Atlassian Corporation Plc), Atlassian Pty Ltd, Atlassian Corporation, Vertical First Pty Ltd as trustee for the Vertical First Trust, Dexus Property Services Pty Limited, Dexus Funds Management Limited as responsible entity for Dexus Property Trust and Dexus Funds Management Limited as responsible entity for Dexus Operations Trust.		10-Q	001-37651	10.1	02/03/2023
10.12	†★	Deed of Amendment (No. 2), dated August 28, 2023, to Agreement for Lease, dated March 23, 2022, by and among Atlassian Corporation Plc, Atlassian Pty Ltd, Vertical First Pty Ltd as trustee for the Vertical First Trust, Dexus Property Services Pty Limited, Dexus Funds Management Limited as responsible entity for Dexus Property Trust and Dexus Funds Management Limited as responsible entity for Dexus Operations Trust.		10-Q	001-37651	10.1	11/03/2023

10.13 †★	Deed of Amendment (No. 3), dated September 3, 2024, to Agreement for Lease, dated March 23, 2022, by and among Atlassian Corporation Plc, Atlassian Pty Ltd, Vertical First Pty Ltd as trustee for the Vertical First Trust, Dexus Property Services Pty Limited, Dexus Funds Management Limited as responsible entity for Dexus Property Trust and Dexus Funds Management Limited as responsible entity for Dexus Operations Trust.		10-Q	001-37651	10.2	11/01/2024
19.1	Atlassian Corporation Insider Trading and Disclosure Policy.		10-K	001-37651	19.1	08/06/2024
21.1	Subsidiaries of the Registrant.	X				
23.1	Consent of Independent Registered Public Accounting Firm.	X				
24.1	Power of Attorney (included on signature page to this Annual Report on Form 10-K).	X				
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X				
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X				
32.1 ‡	Certification of Principal Executive Officers and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X				
97.1 #	Atlassian Corporation Compensation Recovery Policy.		10-K	001-37651	10.11	08/18/2023
101.INS	Inline XBRL Instance Document. The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.	X				
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X				
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X				
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X				
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101 filed herewith).	X				

# Indicates management contract or compensatory plan, contract, or agreement.

† Portions of this exhibit have been redacted.

★ Certain exhibits and schedules to this agreement have been omitted.

‡ The certification attached as Exhibit 32.1 that accompanies this Annual Report on Form 10-K pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, is not deemed “filed” by the registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

ATLASSIAN CORPORATION

Date: August 14, 2026

By: /s/ Michael Cannon-Brookes

Name: Michael Cannon-Brookes

Title: *Chief Executive Officer*
(Principal Executive Officer)

By: /s/ James Chuong

Name: James Chuong

Title: Chief Financial Officer
(Principal Financial Officer)

POWER OF ATTORNEY AND SIGNATURES

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

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

Signature	Title	Date
/s/ Michael Cannon-Brookes **Michael Cannon-Brookes**	Chief Executive Officer and Director *(Principal Executive Officer)*	August 14, 2026
/s/ James Chuong **James Chuong**	Chief Financial Officer *(Principal Financial Officer)*	August 14, 2026
/s/ Gene Liu **Gene Liu**	Chief Accounting Officer *(Principal Accounting Officer)*	August 14, 2026
/s/ Shona L. Brown **Shona L. Brown**	Director and Chair	August 14, 2026
/s/ Scott Belsky **Scott Belsky**	Director	August 14, 2026
/s/ Karen Dykstra **Karen Dykstra**	Director	August 14, 2026
/s/ Scott Farquhar **Scott Farquhar**	Director	August 14, 2026
/s/ Anil Sabharwal **Anil Sabharwal**	Director	August 14, 2026
/s/ Christian Smith **Christian Smith**	Director	August 14, 2026
/s/ Steven Sordello **Steven Sordello**	Director	August 14, 2026
/s/ Jason Warner **Jason Warner**	Director	August 14, 2026
/s/ Michelle Zatlyn **Michelle Zatlyn**	Director	August 14, 2026

Board of Directors

Scott Belsky

Shona Brown Chair of the Board

Mike Cannon-Brookes

Karen Dykstra

Scott Farquhar

Anil Sabharwal

Christian Smith

Steven Sordello

Jason Warner

Michelle Zatlyn

Executive Team

Mike Cannon-Brookes
Chief Executive Officer and Co-Founder

James Chuong
Chief Financial Officer

Brian Duffy
Chief Revenue Officer

Ken Exner
Chief Product Officer, Enterprise & Emerging

Amy Glancey
Chief of Staff

Taroon Mandhana
Chief Technology Officer, AI and Teamwork

Avani Prabhakar
Chief People and AI Enablement Officer

Vikram Rao
Chief Technology Officer, Enterprise, and Chief Trust Officer

Stan Shepard
General Counsel

Charlie Sutton
Chief Design Officer

Tamar Yehoshua
Chief Product and AI Officer

IR relations
IR@atlassian.com

Stock exchange
NASDAQ Global Select, ticker symbol TEAM

ATLASSIAN

