

# **ATLASSIAN** issuance of cash exchangeable senior note

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- **\$850M aggregate principal amount**
- **0.625% coupon**
- **5 year maturity to May 1, 2023**
  - **Initial exchange price of \$81.52/share**
- **Entered into a capped call to increase the effective exchange premium up to \$114.42/share**
- **Net proceeds of \$766.8M\***
- **Settlement method: cash settled only**

## Exchange details

- **Initial exchange premium:** 42.5% or \$81.52 per share (initial exchange rate of 12.2663 shares of Class A ordinary shares per \$1,000 principal amount of note)
- **Effective exchange premium:** 100% or \$114.42 per share with the capped call

The information reflected herein assumes no exercise of option to purchase additional \$150M of notes by initial purchasers

\*After deduction of initial purchasers' discount, estimated offering expenses, and the cost of the capped call

# ATLASSIAN issuance of cash exchangeable senior note

## Balance sheet

### IMPACT

- **Cash:** \$766.8M raised, net of initial purchasers' discount, offering expenses, and the cost of the capped call
- **Other Assets:** Capped call - derivative asset
- **Liabilities:** Long-term debt and derivative liability
- **Other:** The derivative asset and liability will be marked to market quarterly

## Income statement

### IMPACT

#### IFRS net income will include:

- Coupon interest expense at 0.625%
  - Quarterly cash int. exp. of \$1.3M
- Amortization of debt discount (non-coupon interest expense)
- Amortization of issuance costs (classified to interest expense)
- MTM of derivative asset and liability (classified to int. exp.)

#### Non-IFRS net income will include:

- Coupon interest expense at 0.625% only

## Share count/dilution

### IMPACT

No impact on share count/dilution as the note will be cash settled

## Free cash flow

### IMPACT

Semi-annual interest payments due on May 1 and November 1<sup>(1)</sup>

(1) First coupon interest payment due on Nov. 1, 2018