

ATLASSIAN issuance of cash exchangeable senior note

- **\$1.0B aggregate principal amount**
- **0.625% coupon**
- **5 year maturity to May 1, 2023**
 - **Initial exchange price of \$81.52/share**
- **Entered into capped calls to increase the effective exchange premium up to \$114.42/share**
- **Net proceeds of \$902.4M***
- **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 calls

The information herein reflects the initial issuance of \$850M of notes and the exercise of the option to purchase an additional \$150M of notes by the initial purchasers

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

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Balance sheet

IMPACT

- **Cash:** \$902.4M raised, net of initial purchasers' discount, offering expenses, and the cost of the capped calls
- **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

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IFRS net income will include:

- Coupon interest expense at 0.625%
 - Quarterly cash int. exp. of \$1.6M
- 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%

Share count/dilution

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

Free cash flow

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Semi-annual interest payments due on May 1 and November 1⁽¹⁾

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