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Saxena White P.A. Files New Securities Fraud Class Action Against Atlassian Corporation and Its Subsidiary Atlassian Corporation, Plc

BOCA RATON, Fla., Feb. 03, 2023 (GLOBE NEWSWIRE) -- Saxena White P.A. has filed a securities fraud class action lawsuit (the "Class Action") in the United States District Court for the Northern District of California against Atlassian Corporation and its subsidiary Atlassian Corporation Plc (together, "Atlassian" or the "Company") (NASDAQ: TEAM) and certain of the Company's executive officers (collectively, "Defendants"). The Class Action asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and U.S. Securities and Exchange Commission Rule 10b-5 promulgated thereunder on behalf of all persons or entities that purchased and/or acquired Atlassian ordinary shares and/or common stock between August 5, 2022 and November 3, 2022, inclusive (the "Class Period"), and were damaged thereby (the "Class"). The Class Action filed by Saxena White is captioned: *City of Hollywood Firefighters' Pension Fund v. Atlassian Corporation*, No. 23-cv-519 (N.D. Cal.).

Atlassian develops and sells collaboration and project-management software that operate both on premises and in the cloud. The Company generates revenue primarily from license subscriptions. Subscription revenue growth is derived both from free users who convert to paying customers when they exceed the cap on free licenses and from existing paying users who expand their existing subscriptions. In 2020, Atlassian began to transition clients to the cloud, which has accounted for a rapidly growing portion of the Company's revenues.

In the spring and summer of 2022, as macroeconomic conditions deteriorated and Atlassian's competitors lowered their revenue guidance, Defendants denied that these conditions were having a materially negative impact on the Company. Throughout the Class Period, Atlassian overstated its financial guidance by concealing trends of slowing conversions from free users to paying customers and slowing growth in paying-user expansion.

The Class Action alleges that, during the Class Period, Defendants misled investors and/or failed to disclose that (1) macroeconomic factors were having a material adverse impact on Atlassian's business; (2) the slowing conversions from free to paid customers the Company was experiencing constituted a negative trend; (3) paid user growth also had slowed; and (4) as a result, Defendants' positive statements about the Company's financial guidance, business, operations, and prospects were materially false and misleading and/or lacked a reasonable basis at all relevant times.

The truth emerged on November 3, 2022, when in a letter to shareholders, Defendants revealed that the Company was reducing its outlook for cloud revenue growth for fiscal year 2023, citing "macro headwinds." The letter to shareholders also revealed that (1) the Company "saw a decrease in the rate of Free instances converting to paid plans," calling it a "trend [that] became more pronounced" in the quarter and (2) the Company experienced "a slowing in the rate of paid user growth from existing customers." In response to this news, shares of Atlassian declined approximately 29%, from a closing price of \$174.17 per share on November 3, 2022, to a closing price of \$123.73 per share on November 4, 2022.

If you purchased and/or acquired Atlassian ordinary shares and/or common stock during the Class Period and were damaged thereby, you are a member of the "Class" and may be able to seek appointment as lead plaintiff. If you wish to apply to be lead plaintiff, a motion on your behalf must be filed with the U.S.

District Court for the Northern District of California no later than April 4, 2023. The lead plaintiff is a court-appointed representative for absent members of the Class. You do not need to seek appointment as lead plaintiff to share in any Class recovery in the Class Action. If you are a Class member and there is a recovery for the Class, you can share in that recovery as an absent Class member.

You may contact David Kaplan (dkaplan@saxenawhite.com), an attorney and Director at Saxena White P.A., to discuss your rights regarding the appointment of lead plaintiff or your interest in the Class Action. You also may retain counsel of your choice to represent you in the Class Action.

You may obtain a copy of the Complaint and inquire about actively joining the Class Action at www.saxenawhite.com.

Saxena White P.A., with offices in Florida, New York, California, and Delaware, is a leading national law firm focused on prosecuting securities class actions and other complex litigation on behalf of injured investors. Currently serving as lead counsel in numerous securities fraud class actions nationwide, Saxena White has recovered billions of dollars on behalf of injured investors.

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