UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

__________, Individually and On Behalf of All Others Similarly Situated, Plaintiff, v. PLAYTIKA HOLDING CORP., ROBERT ANTOKOL, CRAIG J. ABRAHAMS, TROY J. VANKE, WEI LIU, MARC BEILINSON, BING YUAN, and TIAN LIN, Defendants.	Case No. CLASS ACTION COMPLAINT JURY TRIAL DEMANDED

Plaintiff ("Plaintiff"), individually and on behalf of all other persons similarly situated, by Plaintiff's undersigned attorneys, for Plaintiff's complaint against Defendants, alleges the following based upon personal knowledge as to Plaintiff and Plaintiff's own acts, and information and belief as to all other matters, based upon, *inter alia*, the investigation conducted by and through Plaintiff's attorneys, which included, among other things, a review of the Defendants' public documents, conference calls and announcements made by Defendants, United States ("U.S.") Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding Playtika Holding Corp. ("Playtika" or the "Company"), analysts' reports and advisories about the Company, and information readily obtainable on the Internet. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a federal securities class action on behalf of a class consisting of all persons and entities other than Defendants who purchased or otherwise acquired: (a) Playtika securities pursuant and/or traceable to the Company's initial public offering conducted on or about January 15, 2021 (the "IPO" or "Offering"); or (b) Playtika securities between January 15, 2021 and November 2, 2021, both dates inclusive (the "Class Period"). Plaintiff pursues claims against the Defendants under the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act").

2. Playtika develops mobile games in the United States, Europe, the Middle East, Africa, the Asia Pacific, and internationally. The Company distributes its games to the end customer through various web and mobile platforms, such as Apple, Facebook, Google, and other web and mobile platforms and its own proprietary platforms.

3. On December 18, 2020, Playtika filed a registration statement on Form S-1 with the SEC in connection with the IPO, which, after an amendment, was declared effective by the SEC on January 14, 2021 (the "Registration Statement").

4. On January 15, 2021, pursuant to the Registration Statement, Playtika's securities began trading on the NASDAQ Global Select Market ("NASDAQ") under the symbol "PLTK." That same day, Playtika filed a prospectus on Form 424B4 with the SEC in connection with the IPO, which incorporated and formed part of the Registration Statement (collectively, the "Offering Documents").

5. Pursuant to the Offering Documents, Playtika issued 18,518,500 ordinary shares to the public at the Offering price of $27.00 per share for approximate proceeds of $479,999,520 to the Company before expenses.

6. The Offering Documents were negligently prepared and, as a result, contained untrue statements of material fact or omitted to state other facts necessary to make the statements made not misleading and were not prepared in accordance with the rules and regulations governing their preparation. Additionally, throughout the Class Period, Defendants made materially false and misleading statements regarding the Company's business, operational and compliance policies. Specifically, the Offering Documents and Defendants made false and/or misleading statements and/or failed to disclose that: (i) the Company's year-over-year total costs and costs related to sales & marketing and research & development were on track to rise significantly by the third quarter of 2021; (ii) the success of the Company's game portfolio was less sustainable than the Company had represented; (iii) the foregoing issues were likely to negatively impact the Company's revenue and earnings; and (iv) as a result, the Company's public statements were materially false and misleading at all relevant times.

7. On May 11, 2021, Playtika announced its financial results for the first quarter of 2021. While the Company's revenue beat expectations by $57.97 million, its GAAP earnings per share of $0.09 missed consensus estimates by $0.04.

8. On this news, Playtika's stock price fell $.93 per share, or 3.47%, to close at $25.89 per share on May 11, 2021.

9. Then, on November 3, 2021, Playtika announced its financial results for the third quarter of 2021. Among other items, Playtika reported revenue of $635.9 million, missing consensus estimates by $26.07 million, and GAAP EPS of $0.20, missing consensus estimates by $0.05.

10. That same day, on an earnings call with investors and analysts discussing the Company's Q3 2021 results, Defendant Robert Antokol ("Antokol"), Playtika's Chief Executive

Officer ("CEO"), and Defendant Craig Abrahams ("Abrahams"), Playtika's Chief Financial Officer, revealed that two of the games in Playtika's portfolio yielded disappointing revenues for the quarter.

11. On this news, Playtika's stock price fell $6.80 per share, or 23.3%, to close at $22.72 on November 3, 2021.

12. As of the time this Complaint was filed, Playtika ordinary shares continue to trade below the Offering price, damaging investors.

13. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of Playtika's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

14. The claims asserted herein arise under and pursuant to Sections 11 and 15 of the Securities Act (15 U.S.C. §§ 77k and 77o), and Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

15. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331, Section 22 of the Securities Act (15 U.S.C. § 77v), and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

16. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b). Pursuant to Playtika's most recently filed Quarterly Report, as of November 1, 2021, there are 409,634,218 of the Company's ordinary shares outstanding. Playtika securities trade on the NASDAQ. Accordingly, there are presumably

hundreds, if not thousands, of investors in Playtika securities located within the U.S., some of whom undoubtedly reside in this Judicial District.

17. In connection with the acts alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications, and the facilities of the national securities markets.

PARTIES

18. Plaintiff, as set forth in the attached Certification, acquired Playtika securities pursuant and/or traceable to the Offering Documents issued in connection with the Company's IPO, and/or purchased or otherwise acquired Playtika securities at artificially inflated prices during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

19. Defendant Playtika is incorporated in Delaware with principal executive offices located at HaChoshlim St 8, Herzliya Pituarch, Israel, 972-73-316-3251. The Company's ordinary shares trade in an efficient market on the NASDAQ under the ticker symbol "PLTK."

20. Defendant Antokol has served as Playtika's CEO and Chairman at all relevant times.

21. Defendant Abrahams has served as Playtika's President and CFO at all relevant times.

22. Defendants Antokol and Abrahams are sometimes referred to herein collectively as the "Exchange Act Individual Defendants."

23. The Exchange Act Individual Defendants possessed the power and authority to control the contents of Playtika's SEC filings, press releases, and other market communications.

The Exchange Act Individual Defendants were provided with copies of Playtika's SEC filings and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or to cause them to be corrected. Because of their positions with Playtika, and their access to material information available to them but not to the public, the Exchange Act Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public, and that the positive representations being made were then materially false and misleading. The Exchange Act Individual Defendants are liable for the false statements and omissions pleaded herein.

24. Playtika and the Exchange Act Individual Defendants are sometimes referred to herein collectively as the "Exchange Act Defendants."

25. Defendant Troy J. Vanke ("Vanke") served as Chief Accounting Officer of Playtika at the time of the IPO. Vanke signed or authorized the signing of the Offering Documents filed with the SEC.

26. Defendant Wei Liu ("Liu") served as a Director of Playtika at the time of the IPO. Liu signed or authorized the signing of the Offering Documents filed with the SEC.

27. Defendant Marc Beilinson ("Beilinson") served as a Director of Playtika at the time of the IPO. Beilinson signed or authorized the signing of the Offering Documents filed with the SEC.

28. Defendant Bing Yuan ("Yuan") served as a Director of Playtika at the time of the IPO. Yuan signed or authorized the signing of the Offering Documents filed with the SEC.

29. Defendant Tian Lin ("Lin") served as a Director of Playtika at the time of the IPO. Lin signed or authorized the signing of the Offering Documents filed with the SEC.

30. Defendants Vanke, Liu, Beilinson, Yuan, and Lin are sometimes referred to herein collectively as the "Securities Act Individual Defendants."

31. As directors, executive officers and/or major shareholders of the Company, the Securities Act Individual Defendants participated in the solicitation and sale of Playtika securities in the IPO for their own benefit and the benefit of Playtika. The Securities Act Individual Defendants were key members of the IPO working group and executives of Playtika who pitched investors to purchase the shares sold in the IPO, including in IPO road shows.

32. The Exchange Act Defendants and the Securities Act Individual Defendants are sometimes collectively, in whole or in part, referred to herein as the "Defendants."

SUBSTANTIVE ALLEGATIONS

Background

33. Playtika develops mobile games in the United States, Europe, the Middle East, Africa, the Asia Pacific, and internationally. The Company distributes its games to the end customer through various web and mobile platforms, such as Apple, Facebook, Google, and other web and mobile platforms and its own proprietary platforms.

34. On December 18, 2020, Playtika filed a registration statement on Form S-1 with the SEC in connection with the IPO, which, after an amendment, was declared effective by the SEC on January 14, 2021.

35. On January 15, 2021, pursuant to the Registration Statement, Playtika's securities trading on the NASDAQ under the symbol "PLTK." That same day, Playtika filed a prospectus on Form 424B4 with the SEC in connection with the IPO, which incorporated and formed part of the Registration Statement.

36. Pursuant to the Offering Documents, Playtika issued 18,518,500 ordinary shares to the public at the Offering price of $27.00 per share for approximate proceeds of $479,999,520 to the Company before expenses.

Materially False and Misleading Statements Issued in the Offering Documents

37. The Offering Documents touted the Company's financial success, stating, in relevant part:

> We have a powerful combination of scale, growth and operating cash flow. In the twelve months ended September 30, 2020, we generated $2,286.2 million in revenues, a net income of $46.1 million and $815.2 million in Adjusted EBITDA, representing a net income margin of 2.0% and an Adjusted EBITDA Margin of 35.7%. In addition, for the nine months ended September 30, 2020, we generated $1,798.0 million in revenues, net income of $16.1 million and $665.8 million in Adjusted EBITDA, representing a net income margin of 0.9% and an Adjusted EBITDA Margin of 37.0%, and, for the twelve months ended December 31, 2019, we generated $1,887.6 million in revenues, net income of $288.9 million and $621.0 million in Adjusted EBITDA, representing a net income margin of 15.3% and an Adjusted EBITDA Margin of 32.9%. The strength of our Adjusted EBITDA Margin profile is driven by our ability to retain paying users over the long term and our financial discipline.

38. Further, with respect to the Company's market opportunity, the Offering Documents stated, in relevant part:

> ***Mobile games are rapidly growing as an entertainment platform***
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> Mobile technology has reshaped the role that games play in our lives. Mobile gaming is the fastest growing component within the video games industry, according to Newzoo. Driven by the expansion of mobile broadband and the proliferation of smartphones, games today can be enjoyed whenever and wherever players want. According to Newzoo, approximately 2.5 billion users spent time and money on mobile games in 2019 and mobile gaming revenue is expected to grow to approximately $114.4 billion in 2023, representing a compound annual growth rate of 9.8% from $86.3 billion in 2020.

39. In addition, with respect to the Company's core strengths, the Offering Documents stated, in relevant part:

Portfolio of sustainable, top grossing games with a loyal user base

Each of our top nine games, which collectively represented 97.6% of our revenues for the nine months ended September 30, 2020, rank in the top 100 highest grossing mobile games in the United States based on total in-app purchases on iOS App Store and Google Play Store for the nine months ended September 30, 2020, according to App Annie. We have more games in this list of top 100 games than any other company. Of the games that we have operated for at least five years, we increased revenues of five of them at a compound annual growth rate of 15% or more during the five years ended September 30, 2020. In addition, approximately half of our revenues for the twelve months ended September 30, 2020 came from users who downloaded or first played our games in 2016 or earlier. Our strategy is to focus on a select number of games that we believe have the potential for high revenues and longevity that we can continue to grow through our live operations expertise.

We are experts in live operations

We run best-in-class live operations for our games, which drive the successful engagement and monetization of our users. Through our live operations, we actively manage and enhance players' in-game experiences by analyzing individual gameplay and designing game experiences suited to user preferences. By delivering content, offers, and features to users at the right times during their gameplay, we drive paying user conversion, continued monetization, and long-term paying user retention.

Our proprietary Playtika Boost Platform provides each of our game studios with the core technical functionality and live operations services infrastructure needed to run games at scale and rapidly incorporate the latest available functional enhancements. This platform includes payment systems and optimization tools, loyalty programs, data analytics, player segmentation, a social layer, and real-time monitoring, which are effectively deployed across our portfolio of games.

Our financial discipline drives ou r success and provides us greater flexibility to deploy capital

Our attractive margin profile is driven by our ability to retain paying users over the long term, our ownership of substantially all of the intellectual property used in our mobile games, and financial discipline. This results in a superior margin profile and cash flow that we can use to reinvest in acquisitions and our business.

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> ***Data-driven performance marketing capabilities drive our high-ROI user acquisition***
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> We leverage our centralized marketing team to achieve efficiencies across our portfolio of games. Our performance marketing capabilities focus on cost-effectively acquiring users. Our user acquisition strategy is centered on a payback period methodology, and we optimize spend between the acquisition of new users and the reactivation of inactive players.

40. Finally, with respect to the Company's growth opportunities, the Offering Documents stated, in relevant part:

> ***Increasing the monetization of our paying users***
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> We aim to increase our monetization of users primarily through increasing the degree of engagement our users have with our games. Leveraging our live operations expertise to build games that are engaging and monetizable, we seek to generate increased value on a per player basis by continuously optimizing our content to drive user engagement and retention. In addition, we believe that we can increase our revenues by seeking additional opportunities to incorporate in-game advertisements and subscriptions.
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> ***Launching new games and expanding to new, adjacent genres***
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> With the game development teams that joined us from our acquisitions of Jelly Button, Wooga and Seriously, we have the talent and culture to develop new casual games, which we intend to continue to explore as part of our growth strategy. By focusing our internal development efforts on existing genres of casual games that are similar to the genres in which we have expertise, such as match-3, hidden object, narrative, resource management, and simulation, we intend to capture an increased share of the fast-growing mobile games market.

41. The statements referenced in ¶¶ 37-40, *supra*, were materially false and misleading because the Offering Documents were negligently prepared and, as a result, contained untrue statements of material fact or omitted to state other facts necessary to make the statements made not misleading and were not prepared in accordance with the rules and regulations governing their preparation. Specifically, the Offering Documents made false and/or misleading statements and/or failed to disclose that: (i) the Company's year-over-year total costs and costs related to sales &

marketing and research & development were on track to rise significantly by the third quarter of 2021; (ii) the success of the Company's game portfolio was less sustainable than the Company had represented; (iii) the foregoing issues were likely to negatively impact the Company's revenue and earnings; and (iv) as a result, the Company's public statements were materially false and misleading at all relevant times.

Materially False and Misleading Statements Issued During the Class Period

42. The Class Period begins on January 15, 2021, when Playtika's securities began publicly trading on the NASDAQ pursuant to the materially false or misleading statements or omissions in the Offering Documents, as referenced in ¶¶ 37-40, *supra*.

43. On February 25, 2021, Playtika issued a press release announcing the Company's Q4 2020 results. The press release stated, in relevant part:

> "Playtika had an incredible year of growth and achievement in 2020, culminating in our successful public offering in January of 2021," said Robert Antokol, Chief Executive Officer of Playtika. "Throughout the challenging backdrop of 2020, our people displayed the necessary commitment and teamwork to allow Playtika to continue its mission of providing our customers with infinite ways to play. As evidence of our progress, for the first time our Casual portfolio recorded over $1 billion in annual revenues. Our relentless focus on data and expertise in live operations is the foundation of our success and will continue to provide a competitive advantage as we look forward with optimism to 2021 and beyond."
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> "We executed across our entire organization to deliver an impressive set of results for both the fourth quarter and full year 2020," said Craig Abrahams, President and Chief Financial Officer. "I was especially pleased with our continued industry-leading organic revenue growth, all contributed by games we have operated for many years, which underscores our understanding of how mobile games work and how to operate them successfully. This expertise, combined with our efficient marketing and financial discipline enabled us to generate over $900 million in adjusted EBITDA in 2020."
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> **Financial Outlook**
> For the full year 2021 the company anticipates revenue of $2.44 billion and Adjusted EBITDA of $920 million.

44. That same day, Playtika hosted an earnings call with investors and analysts to discuss the Company's Q4 2020 results (the "Q4 2020 Earnings Call"). During the scripted portion of the Q4 2020 Earnings Call, Defendant Antokol stated, in relevant part:

> So, is there marketing? We always did diverse marketing. We never spent all the money without understanding. We never spent the money without getting data and showing -- helping us to understand where to focus. We always did everything regarding data.
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> So, to take the operation, the data, and the marketing, we've built a unique operation that's called LiveOps. Everything together help us to move revenues, to grow revenues by LiveOps. And we took the LiveOps and the technology of Playtika and we established a new feature -- it's not a feature, it's a new division in Playtika that's called Playtika Boost. So Playtika Boost, taking everything that Playtika did in the last 10 years, putting in one place, all our experience, all the best feature, all our technology and helping us to grow the internal games, but it's more important, will help us to grow the games that we're going to acquire in the coming few years. And this is what give us a huge advantage on other companies.

45. Also during the scripted portion of the Q4 2020 Earnings Call, Defendant Abrahams stated, in relevant part:

> Turning to some highlights from 2020; we had a great year of achievements and progress. I'm excited to share some performance measures of individual games on the call today. Going forward, we will, from time to time, highlight performance of selected games, but this is not data we will disclose every quarter. Our casual portfolio passed $1 billion in revenues for the first time, and within this group, Bingo Blitz had its 10-year anniversary or reaching record high revenue of $443 million. This showcases our ability to continue to grow games that we've operated for many years and speaks to the sustainability of our franchises.
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> Now, we will review our financial performance. Revenues for the fourth quarter of 2020 increased by approximately 17% to $573.5 million from $488.2 million in the same period last year. The increase was driven by organic expansion and the continued rollout of new content and product features. We were pleased with the continued strong year-over-year performance of Slotomania, Bingo Blitz, Solitaire Grand Harvest, and June's Journey. We believe the growth benefit we experienced from COVID-19 and the stay-at-home orders concluded during the third quarter, and we believe that the peak of this positive impact was in the second quarter. Overall, casino-theme games contributed 55.4% of revenues in the fourth quarter,

> while the casual games portfolio contributed 44.6%, growing by 10% and 28% respectively over the same period last year.
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> Turning to expenses; total costs and expenses for the fourth quarter were $431.2 million, up $36.4 million or 9% year-over-year, but decreased as a percentage of revenues to 75.2% from 80.9% last year. We incurred interest expense of $47.8 million under our credit facilities in the fourth quarter compared to $42.9 million of interest expense incurred in the prior-year period. In Q4, we reported GAAP net income of $76 million versus net income of $30 million last year. Fourth quarter adjusted EBITDA was strong at $210.4 million, representing a 24% increase over Q4 2019.

46. Later during the Q4 2020 Earnings Call, when asked a question regarding "the broader marketing environment, how ROI is evolving, and how [analysts] should be thinking about marketing and return on marketing to drive growth," Defendant Antokol responded, in relevant part:

> So, Playtika is a company that understand how to do UA. This was a -- This is one of our DNA, UA. But as you look at our games, we're not depending in UA. We have never been depending in UA. We're depending in our monetization skills. So, we are not looking to spend. It's not -- we don't have a number that we say, let's say, this quarter we spend this amount of number with spending. We're checking our spend every week, every day, every hour. We're not spending. We're not throwing money. We're very careful with this. This was our DNA from day one. We are not growing by marketing. We are growing by skills, technology, and the LiveOps. And this is really important for us to add, because we are new in this world, we are new in this industry, and then, we saw many different companies that's growing by UA, but we are a little bit different.

47. On February 26, 2021 Playtika filed an Annual Report on Form 10-K with the SEC, reporting the Company's financial and operating results for the year ended December 31, 2020 (the "2020 10-K"). The 2020 10-K stated, in relevant part, "[w]e have a powerful combination of scale, growth and operating cash flow. In the year ended December 31, 2020, we generated $2,371.5 million in revenues, net income of $92.1 million and $941.6 million in

Adjusted EBITDA, representing a net income margin of 3.9% and an Adjusted EBITDA Margin of 39.7%."

48. In addition, in discussing the Company's core strengths, the 2020 10-K stated, in relevant part:

> ***Portfolio of sustainable, top grossing games with a loyal user base***
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> Our strategy is to focus on a select number of games that we believe have the potential for high revenues and longevity that we can continue to grow through our live operations expertise. Our goal is to create games that are highly engaging and foster social connection among our players. We build long-term, sustainable games by employing a combination of creative and technical staff that includes storytellers, coders, artists, and data-scientists.
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> ***Our financial discipline drives our success and provides us greater flexibility to deploy capital***
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> Our attractive margin profile is driven by our ability to retain paying users over the long term, our ownership of substantially all of the intellectual property used in our mobile games, and financial discipline. This results in a superior margin profile and cash flow that we can use to reinvest in acquisitions and our business.
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> ***Data-driven performance marketing capabilities drive our high-ROI user acquisition***
>
> We leverage our centralized marketing team to achieve efficiencies across our portfolio of games. Our performance marketing capabilities focus on cost-effectively acquiring users. Our user acquisition strategy is centered on a payback period methodology and we optimize spend between the acquisition of new users and the reactivation of inactive players.

49. Appended to the 2020 10-K as exhibits were signed certifications pursuant to the Sarbanes-Oxley Act of 2002 by Defendants Antokol and Abrahams, attesting that "[t]he information contained in the [2020 10-K] fairly presents, in all material respects, the financial condition and results of operations of the Company."

50. On May 11, 2021, Playtika hosted an earnings call with investors and analysts to discuss the Company's Q1 2021 results (the "Q1 2021 Earnings Call"). During the scripted portion of the Q1 2021 Earnings Call, Defendant Antokol stated, in relevant part:

> Q1 revenues of $639 million were almost 20% year-over-year, driven completely by organic growth. Adjusted EBITDA of $258 million grew nearly 39% year-over-year. This impressive results were driven by our best in-class Live Operation, which is running our Boost technology platforms. This technology allowed us to keep growing our games despite their age.
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> These results show how our company and model are different. We can take franchise that had been in the market for several years and continue to drive growth with proven road map and space that we control.
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> For 2021 we remain focused in leveraging our strength and technology, data and analyst to continue to drive growth and innovated to our mobile game portfolio.

51. Also during the scripted portion of the Q1 2021 Earnings Call, Defendant Abrahams stated, in relevant part:

> Playtika had an excellent first quarter, positioning the company for continued success through 2021. As Robert mentioned, the company is executing strongly across the board, from game feature development to Boost, to marketing and technology. Having a great quarter like this serves as an additional motivation and a proof point that we can exceed ambitious targets and set a new standard of leadership within the mobile games industry.
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> Turning to the performance of our game portfolios, our Casual portfolio had a tremendous quarter, with first quarter revenue growth of 30% year-over-year. Our Casino Theme portfolio continued to exhibit strong growth increasing Q1 revenue 12% year-over-year. Six of our top nine games grew revenue over 20% year-over-year in the first quarter. Within our Casino Theme games, World Series of Poker grew revenue nearly 23%. This performance is another example that underscores our ability to build and sustain long lasting franchises, powered by a relentless focus around Live Ops and constantly deploying new content.
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I also want to highlight our marketing efforts which are driving positive results. You may have seen our Solitaire Grand Harvest and Slotomania featured on the Dr. Phil Show or heard the Bingo Blitz song performed by Luis Fonsi where the church hopping hit Despacito along with Nicole Scherzinger from the Pussycat Dolls. Both campaigns have been very successful in driving awareness and game installations.

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Now, I will review our financial performance. Revenues for the first quarter of 2021 increased by 19.6% to $638.9 million from $534.2 million in the same period last year. On a geographic basis, the U.S. contributed 71% of revenues, with Europe and APAC contributing 14% and 8% respectively.

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Finally, I'd like to update our financial guidance for the full year 2021. With our excellent first quarter results and encouraging momentum in our business, we are pleased to raise our guidance today. We now anticipate revenue of $2.6 billion up $160 million from our prior guidance of $2.44 billion. Our new adjusted EBITDA guidance is $1 billion, up $80 million from our prior guidance of $920 million.

52. On August 4, 2021, Playtika issued a press release announcing the Company's Q2 2021 results. The press release stated, in relevant part:

"Our business in the second quarter accelerated across several key areas," said Robert Antokol, Chief Executive Officer of Playtika. "We enhanced player conversion, drove revenues to our proprietary platforms and ramped up new game development, allowing us to announce our upcoming new game's global launch ahead of schedule. With this momentum we feel optimistic about our prospects for the remainder of 2021 and beyond."

"We were pleased to achieve organic revenue growth against a challenging comparable in the prior year quarter," said Craig Abrahams, President and Chief Financial Officer. "Our teams utilized our live-ops capabilities to develop and leverage our Boost technology platform across our game portfolio, allowing us to re-iterate guidance for both revenue and adjusted EBITDA for 2021. We remain optimistic for the future with over $1.7 billion of available liquidity to drive our M&A initiatives."

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Financial Outlook

> For the full year 2021 the company anticipates revenue of $2.60 billion and Adjusted EBITDA of $1.0 billion.

53. That same day, Playtika hosted an earnings call with investors and analysts to discuss the Company's Q2 2021 results (the "Q2 2021 Earnings Call"). During the scripted portion of the Q2 2021 Earnings Call, Defendant Antokol stated, in relevant part:

> We are very pleased with our results for the second quarter. Playtika grew revenues 1.3% to $659 million year-over-year and 3.2% sequentially over a strong Q1. This growth is impressive for two important reasons: First, we experienced very strong growth of 39% in the second quarter of last year, due to the COVID lockdowns. This provided us with a very difficult comp, and I am incredibly proud of our teams for this incredible performance in driving growth we experienced this quarter.
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> Second, I want to highlight that the growth we achieved this quarter was entirely organic. Our ability to sustain growth in our games for many years using our proprietary technology is a great example of what makes Playtika special. We believe we can apply these skills and technologies to future games to repeat this success and to continue to create long-lasting franchises that will drive our future growth.

54. Also during the scripted portion of the Q2 2021 Earnings Call, Defendant Abrahams stated, in relevant part:

> Turning to the performance of our game portfolios, our Casual portfolio continues to excel, with second quarter revenue growth of 16% year-over-year. Casual now represents 48.5% of total revenue, up from 42% in the second quarter of last year, as we continue to execute against our goal of diversifying our total revenue base through expansion into new game categories.
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> Turning to our financial performance, revenue for the second quarter was $659.2 million, up 1.3% year-over-year. Cost of goods sold declined as a percentage of revenue from 29.6% to 27.9%. This improvement was driven by the growth of revenue on our proprietary platforms in the second quarter to 20.4% of revenue, up from nearly 13% in the second quarter last year. This continued performance in Q2 has been driven by the successful re-launch of Bingo Blitz on our owned platforms in Q1, combined with a strong roadmap for Bingo Blitz in the first two quarters of the year.

> In Q2, we reported GAAP net income of $90.0 million versus a net loss of $139.6 million last year. First quarter adjusted EBITDA was $264 million, representing a margin of 40.1%, which compares to 43.5% in the same period last year. Regarding the components of our operating expenses, the year-over-year increases in R&D and sales and marketing were largely driven by increases in headcount and media expenditures, respectively.
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> Finally, I'd like to confirm guidance for the full-year 2021. With our toughest comps of 2020 behind us, and a very solid first half performance, we are reiterating our full-year 2021 guidance of revenue of $2.6 billion, and adjusted EBITDA of $1 billion. It's been an exciting six months since we went public. The entire company has appreciated the opportunity to display our vision, talent, and drive on the public stage.

55. The statements referenced in ¶¶ 42-54, *supra*, were materially false and misleading because the Exchange Act Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operational and compliance policies. Specifically, the Exchange Act Defendants made false and/or misleading statements and/or failed to disclose that: (i) the Company's year-over-year total costs and costs related to sales & marketing and research & development were on track to rise significantly by the third quarter of 2021; (ii) the success of the Company's game portfolio was less sustainable than the Company had represented; (iii) the foregoing issues were likely to negatively impact the Company's revenue and earnings; and (iv) as a result, the Company's public statements were materially false and misleading at all relevant times.

<u>The Truth Begins to Emerge</u>

56. On May 11, 2021, Playtika announced its financial results for the first quarter of 2021. While the Company's revenue beat expectations by $57.97 million, its GAAP earnings per share of $0.09 missed consensus estimates by $0.04.

57. On this news, Playtika's stock price fell $.93 per share, or 3.47%, to close at $25.89 per share on May 11, 2021.

<u>The Truth Fully Emerges</u>

58. Then, on November 3, 2021, Playtika announced its financial results for the third quarter of 2021. Among other items, Playtika reported revenue of $635.9 million, missing consensus estimates by $26.07 million, and GAAP EPS of $0.20, missing consensus estimates by $0.05. Specifically, a press release announcing the third quarter 2021 results stated, in relevant part:

> **<u>Third Quarter 2021 Financial Highlights:</u>**
>
> - Third quarter revenue was $635.9 million compared to $613.3 million in the prior year period.
> - Net income was $80.5 million compared to $119.9 million in the prior year period.
> - Adjusted EBITDA, a non-GAAP financial measure defined below, was $247.8 million compared to $261.4 million in the prior year period.
> - Our cash and cash equivalents and short-term bank deposits totaled $994.2 million as of September 30th, 2021 with $600 million in additional borrowing capacity pursuant to our Revolving Credit Facility, resulting in over $1.5 billion of available liquidity.

59. That same day, Playtika hosted an earnings call with investors and analysts to discuss the Company's Q3 2021 results (the "Q3 2021 Earnings Call"). During the scripted portion of the Q3 2021 Earnings Call, Defendant Abrahams stated, in relevant part:

> In Q3, we grew revenue 4% year-over-year to $635.9 million, beating a difficult comparison due to the COVID lockdowns in Q3 2020. This will be the last quarter of this phenomenon, and we anticipate year-over-year comparisons will be more typical going forward. Let's take a closer look at our results for the third quarter.
>
> Last quarter, we reiterated our full year 2021 revenue guidance of $2.6 billion. This implied a relatively flat second half, which is what we anticipated at that time. Our actual Q3 results were down 3.6% sequentially. While there were many areas of success within the quarter, a few of which Robert highlighted, there were also a few areas that impacted our results.

> First, we had lower-than-expected revenues for both Board Kings and World Series of Poker. Starting with Board Kings, we've made recent management changes, which we believe will set the business back to growth. We are also encouraged that the upcoming World Series of Poker Main Event, in collaboration with the World Series of Poker land-based tournaments and upcoming product road map, will spur growth in our WSOP game.
>
> In addition, product and platform investments that will help our growth in the future resulted in comparatively fewer new product features for Slotomania and Bingo Blitz. Let me spend some time reviewing our casual and casino theme portfolios.
>
> ***
>
> GAAP net income was $80.5 million compared to $119.9 million in the prior year quarter. Adjusted EBITDA was $247.8 million, representing a margin of 38.9%. This compares to $261.4 million and a 42.6% margin in the third quarter of 2020.

60. Further, when asked a question regarding the Company portfolio's disappointing performance and operational expenses, Defendant Abrahams stated, in relevant part:

> In terms of the broader portfolio, we guided the back half of the year to be flat because we saw comparatively fewer new promotions and features as a result of some of the infrastructure enhancements we're making. And so the margin for error on the features we did launch was much smaller. And when some of those features didn't resonate as well as we had hoped, that impacted the quarter. So again, we think it's more road map related across a specific set of titles. And that does impact our fourth quarter, and that we still have some of those infrastructure investments that permeate through the fourth quarter as well. And so that's why the guidance for the fourth quarter is consistent with the third. But as we look into '22 and we look at the first quarter of next year, we're very confident in terms of driving back the growth again.
>
> In terms of your question on costs, I think, if you look at the third quarter, you see cost increases year-over-year, primarily in R&D, as we increase both employees as well as some cost increases there, but that's already reflected in the Q3 numbers. As you roll forward to Q4, implied in the guidance, you'll see that there's a lower EBITDA as well. Some of that is seasonal in terms of the fourth quarter with marketing spend. Some of that is also just continued increases as we increase the workforce. But $980 million is our new target for 2021 in terms of adjusted EBITDA.

61. On this news, Playtika's stock price fell $6.80 per share, or 23.3%, to close at $22.72 on November 3, 2021.

62. As of the time this Complaint was filed, Playtika's ordinary shares continue to trade below the Offering price, damaging investors.

63. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of Playtika's securities, Plaintiff and other Class members have suffered significant losses and damages.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

64. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons and entities other than Defendants that purchased or otherwise acquired: (a) Playtika securities in the IPO or purchased Playtika securities thereafter in the stock market pursuant and/or traceable to the Company's Offering Documents issued in connection with the IPO; or (b) Playtika securities during the Class Period; and were damaged thereby (the "Class"). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

65. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Playtika securities were actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Playtika or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

66. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

67. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

68. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the federal securities laws were violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public in the Offering Documents for the IPO, or during the Class Period, misrepresented material facts about the business, operations and management of Playtika;
- whether the Securities Act Individual Defendants negligently prepared the Offering Documents for the IPO and, as a result, the Offering Documents contained untrue statements of material fact or omitted to state other facts necessary to make the statements made not misleading, and were not prepared in accordance with the rules and regulations governing their preparation;
- whether the Exchange Act Individual Defendants caused Playtika to issue false and misleading financial statements during the Class Period;
- whether certain Defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of Playtika securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

69. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the

damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

70. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- Playtika securities are traded in an efficient market;
- the Company's shares were liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NASDAQ and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's securities; and
- Plaintiff and members of the Class purchased, acquired and/or sold Playtika securities between the time the Defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

71. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

72. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as detailed above.

COUNT I

(Violations of Section 11 of the Securities Act Against All Defendants)

73. Plaintiff repeats and incorporates each and every allegation contained above as if fully set forth herein, except any allegation of fraud, recklessness or intentional misconduct.

74. This Count is brought pursuant to Section 11 of the Securities Act, 15 U.S.C. § 77k, on behalf of the Class, against Defendants.

75. The Offering Documents for the IPO were inaccurate and misleading, contained untrue statements of material facts, omitted to state other facts necessary to make the statements made not misleading, and omitted to state material facts required to be stated therein.

76. Playtika is the registrant for the IPO. Defendants named herein were responsible for the contents and dissemination of the Offering Documents.

77. As issuer of the shares, Playtika is strictly liable to Plaintiff and the Class for the misstatements and omissions in the Offering Documents.

78. None of the Defendants named herein made a reasonable investigation or possessed reasonable grounds for the belief that the statements contained in the Offering Documents were true and without omissions of any material facts and were not misleading.

79. By reasons of the conduct herein alleged, each Defendant violated, and/or controlled a person who violated Section 11 of the Securities Act.

80. Plaintiff acquired Playtika shares pursuant and/or traceable to the Offering Documents for the IPO.

81. Plaintiff and the Class have sustained damages. The value of Playtika securities has declined substantially subsequent to and because of Defendants' violations.

<u>COUNT II</u>

(Violations of Section 15 of the Securities Act Against the Securities Act Individual Defendants)

82. Plaintiff repeats and incorporates each and every allegation contained above as if fully set forth herein, except any allegation of fraud, recklessness or intentional misconduct.

83. This Count is asserted against the Securities Act Individual Defendants and is based upon Section 15 of the Securities Act, 15 U.S.C. § 77o.

84. The Securities Act Individual Defendants, by virtue of their offices, directorship, and specific acts were, at the time of the wrongs alleged herein and as set forth herein, controlling persons of Playtika within the meaning of Section 15 of the Securities Act. The Securities Act Individual Defendants had the power and influence and exercised the same to cause Playtika to engage in the acts described herein.

85. The Securities Act Individual Defendants' positions made them privy to and provided them with actual knowledge of the material facts concealed from Plaintiff and the Class.

86. By virtue of the conduct alleged herein, the Securities Act Individual Defendants are liable for the aforesaid wrongful conduct and are liable to Plaintiff and the Class for damages suffered.

<u>COUNT III</u>

(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against the Exchange Act Defendants)

87. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

88. This Count is asserted against the Exchange Act Defendants and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

89. During the Class Period, the Exchange Act Defendants engaged in a plan, scheme, conspiracy and course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions, practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other members of the Class; made various untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and employed devices, schemes and artifices to defraud in connection with the purchase and sale of securities. Such scheme was intended to, and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Playtika securities; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire Playtika securities and options at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, the Exchange Act Defendants, and each of them, took the actions set forth herein.

90. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the Exchange Act Defendants participated directly or indirectly in the preparation and/or issuance of the quarterly and annual reports, SEC filings, press releases and other statements and documents described above, including statements made to securities analysts and the media that were designed to influence the market for Playtika securities. Such reports, filings, releases and statements were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about Playtika's finances and business prospects.

91. By virtue of their positions at Playtika, the Exchange Act Defendants had actual knowledge of the materially false and misleading statements and material omissions alleged herein and intended thereby to deceive Plaintiff and the other members of the Class, or, in the alternative,

the Exchange Act Defendants acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose such facts as would reveal the materially false and misleading nature of the statements made, although such facts were readily available to the Exchange Act Defendants. Said acts and omissions of the Exchange Act Defendants were committed willfully or with reckless disregard for the truth. In addition, each of the Exchange Act Defendants knew or recklessly disregarded that material facts were being misrepresented or omitted as described above.

92. Information showing that the Exchange Act Defendants acted knowingly or with reckless disregard for the truth is peculiarly within the Exchange Act Defendants' knowledge and control. As the senior managers and/or directors of Playtika, the Exchange Act Individual Defendants had knowledge of the details of Playtika's internal affairs.

93. The Exchange Act Individual Defendants are liable both directly and indirectly for the wrongs complained of herein. Because of their positions of control and authority, the Exchange Act Individual Defendants were able to and did, directly or indirectly, control the content of the statements of Playtika. As officers and/or directors of a publicly-held company, the Exchange Act Individual Defendants had a duty to disseminate timely, accurate, and truthful information with respect to Playtika's businesses, operations, future financial condition and future prospects. As a result of the dissemination of the aforementioned false and misleading reports, releases and public statements, the market price of Playtika securities was artificially inflated throughout the Class Period. In ignorance of the adverse facts concerning Playtika's business and financial condition which were concealed by the Exchange Act Defendants, Plaintiff and the other members of the Class purchased or otherwise acquired Playtika securities at artificially inflated prices and relied

upon the price of the securities, the integrity of the market for the securities and/or upon statements disseminated by the Exchange Act Defendants, and were damaged thereby.

94. During the Class Period, Playtika securities were traded on an active and efficient market. Plaintiff and the other members of the Class, relying on the materially false and misleading statements described herein, which the Exchange Act Defendants made, issued or caused to be disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares of Playtika securities at prices artificially inflated by the Exchange Act Defendants' wrongful conduct. Had Plaintiff and the other members of the Class known the truth, they would not have purchased or otherwise acquired said securities, or would not have purchased or otherwise acquired them at the inflated prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff and the Class, the true value of Playtika securities was substantially lower than the prices paid by Plaintiff and the other members of the Class. The market price of Playtika securities declined sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

95. By reason of the conduct alleged herein, the Exchange Act Defendants knowingly or recklessly, directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

96. As a direct and proximate result of the Exchange Act Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases, acquisitions and sales of the Company's securities during the Class Period, upon the disclosure that the Company had been disseminating misrepresented financial statements to the investing public.

COUNT IV

(Violations of Section 20(a) of the Exchange Act Against the Exchange Act Individual Defendants)

97. Plaintiff repeats and re-alleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

98. During the Class Period, the Exchange Act Individual Defendants participated in the operation and management of Playtika, and conducted and participated, directly and indirectly, in the conduct of Playtika's business affairs. Because of their senior positions, they knew the adverse non-public information about Playtika's misstatement of income and expenses and false financial statements.

99. As officers and/or directors of a publicly owned company, the Exchange Act Individual Defendants had a duty to disseminate accurate and truthful information with respect to Playtika's financial condition and results of operations, and to correct promptly any public statements issued by Playtika which had become materially false or misleading.

100. Because of their positions of control and authority as senior officers, the Exchange Act Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Playtika disseminated in the marketplace during the Class Period concerning Playtika's results of operations. Throughout the Class Period, the Exchange Act Individual Defendants exercised their power and authority to cause Playtika to engage in the wrongful acts complained of herein. The Exchange Act Individual Defendants therefore, were "controlling persons" of Playtika within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Playtika securities.

101. Each of the Exchange Act Individual Defendants, therefore, acted as a controlling person of Playtika. By reason of their senior management positions and/or being directors of Playtika, each of the Exchange Act Individual Defendants had the power to direct the actions of, and exercised the same to cause, Playtika to engage in the unlawful acts and conduct complained of herein. Each of the Exchange Act Individual Defendants exercised control over the general operations of Playtika and possessed the power to control the specific activities which comprise the primary violations about which Plaintiff and the other members of the Class complain.

102. By reason of the above conduct, the Exchange Act Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by Playtika.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

A. Determining that the instant action may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the Class representative;

B. Requiring Defendants to pay damages sustained by Plaintiff and the Class by reason of the acts and transactions alleged herein;

C. Awarding Plaintiff and the other members of the Class prejudgment and post-judgment interest, as well as their reasonable attorneys' fees, expert fees and other costs; and

D. Awarding such other and further relief as this Court may deem just and proper.

DEMAND FOR TRIAL BY JURY

Plaintiff hereby demands a trial by jury.