



## PLAYSTUDIOS, INC. ANNOUNCES FIRST QUARTER RESULTS

*First Quarter Revenue of \$70.5 million*

*playAWARDS Purchases Up 54% YoY with Retail Value of Purchases Up 80% YoY*

**Las Vegas, Nevada – May 5, 2022** – PLAYSTUDIOS, Inc. (NASDAQ: MYPS) (“PLAYSTUDIOS” or the “Company”), the developer of the playAWARDS loyalty platform and an award-winning developer of free-to-play mobile and social games, today announced financial results for the first quarter ended March 31, 2022.

### First Quarter Financial Highlights

- Revenue was \$70.5 million during the first quarter of 2022, compared to \$74.1 million during the first quarter of 2021. The year-over-year change primarily reflects the overall market impact of COVID-related stimulus checks on player engagement monetization behaviors.
- Net loss was \$25.2 million during the first quarter of 2022, mainly due to certain non-cash charges, compared to net income of \$5.9 million during the first quarter of 2021.
- AEBITDA, a non-GAAP financial measure defined below, was \$9.1 million during the first quarter of 2022, compared to \$14.5 million during the first quarter of 2021.

Andrew Pascal, Chief Executive Officer of PLAYSTUDIOS, commented, “Entering 2022, our focus was on enhancing the value proposition of our playAWARDS loyalty platform, preparing to offer it as a stand-alone service to select third party developers, while adding new capabilities, new partners, and new benefits to our own myVIP program. As a result, we saw reward purchases increase 54.2% year-over-year and 22.8% relative to the previous quarter. This is the highest level of engagement we’ve seen since the onset of the COVID pandemic. We also focused on expanding our capacity by adding some amazing new talent, enhancing the capabilities of our European and Asian studios. On the games front, we acquired the full rights to myVEGAS Bingo and assumed the ongoing development and operations of the product. In addition, we enjoyed the first full quarter of Tetris’ contribution, helping us achieve a year-over-year increase in average DAU of 23.5%% and an increase in MAU of 85.2%.”

He further added, “Our strategic priorities remain unchanged. As traditional leisure and retail businesses become more dependent on digital platforms to reach their audiences, we believe we are well positioned to deliver the scalable, cost-efficient consumer engagement they’re seeking. We remain firm in our belief that our current strategic plans remain the most effective way for us to create long-term value for our shareholders.”

### Recent Business Highlights

- Continued to develop the systems, tools, and practices that will allow us to offer playAWARDS as a stand-alone loyalty solution to third-parties. Expanded the collection of playAWARDS partners and benefits, adding a number of affordable national and international options such as select Subway and Rally restaurant locations as well as rewards from experiential entertainment brand Lighthouse Immersive, the creative force behind the Immersive Van Gogh experience that showcases the works of Vincent van Gogh through 500,000 cubic feet of projection mapping, 60,600 frames of video, and 90,000,000 pixels. The experience is currently running in fourteen different cities throughout the United States and Canada.
- Assumed full responsibility for the development and operation of myVEGAS Bingo to better control the development cadence, stability, operations and evolution of the game. myVEGAS Bingo was recently named the “Best New Social Casino Game” at the 4th Annual EKG Slot Awards.
- Hosted the “Women In Gaming Conference” on Wednesday, March 2, at our Tel Aviv studio in celebration of Women’s History Month and International Women’s Day. The event, organized in collaboration with Playtika, CrazyLabs, Incredibuild, SciPlay, Beach Bum, and the “Women in Gaming” community in Israel, brought together women leaders for a variety of professional

and inspirational sessions. All proceeds from ticket sales went to support the work of QueenB, an Israeli nonprofit organization dedicated to providing computer science training to middle-school girls.

- Continued to expand our teams and resources globally, adding additional development support for our core franchise products.

## **Outlook**

The Company is reaffirming its expectation for full-year 2022 revenue to be in the range of \$305.0 million to \$325.0 million. In addition, the full-year AEBITDA expectation remains in the range of \$40.0 million to \$50.0 million.

We have not provided the most directly comparable GAAP measure for our AEBITDA outlook because certain items that are part of the projected non-GAAP financial measure are outside of our control or cannot be reasonably estimated without unreasonable effort.

## **Conference Call Details**

PLAYSTUDIOS will host a conference call at 5:00 p.m. Eastern Time today, which will include a brief discussion of the results followed by a question and answer session.

The call will be accessible via the Internet through <https://ir.playstudios.com> or by calling (888) 645-4404 for domestic callers and (862) 298-0702 for international callers.

A replay of the call will be archived at <https://ir.playstudios.com>.

## **About PLAYSTUDIOS, Inc.**

PLAYSTUDIOS (Nasdaq: MYPS) creator of the groundbreaking playAWARDS loyalty platform is a publisher and developer of award-winning mobile games, including the iconic Tetris® mobile app, Pop! Slots, myVEGAS Slots, myVEGAS Blackjack, myKONAMI Slots, myVEGAS Bingo, and MGM Slots Live. The playAWARDS loyalty platform enables players to earn real-world rewards from a global collection of iconic hospitality, entertainment, and leisure brands. playAWARDS partners include MGM Resorts International, Wolfgang Puck, Norwegian Cruise Line, Resorts World, IHG, Bowlero, Gray Line Tours, and Hippodrome Casino among others. Founded by a team of veteran gaming, hospitality, and technology entrepreneurs, PLAYSTUDIOS apps combine the best elements of popular casual games with compelling real-world benefits. To learn more about PLAYSTUDIOS, visit [playstudios.com](https://playstudios.com).

## **Performance Indicators**

We manage our business by regularly reviewing several key operating metrics to track historical performance, identify trends in player activity, and set strategic goals for the future. Our key performance metrics are impacted by several factors that could cause them to fluctuate on a quarterly basis, such as platform providers' policies, seasonality, player connectivity, and the addition of new content to games. We believe these measures are useful to investors for the same reasons. The key performance indicators may differ from similarly titled measures presented by other companies. For more information on our key performance indicators, please refer to the definitions below and the "Supplemental Data—Key Performance Indicators" section of this press release.

**Daily Active Users ("DAU"):** DAU is defined as the number of individuals who played a game on a particular day. We track DAU by the player ID, which is assigned for each game installed by an individual. As such, an individual who plays two different games on the same day is counted as two DAU while an individual who plays the same game on two different devices is counted as one DAU. Average DAU is calculated as the average of the DAU for each day during the period presented. We use DAU as a measure of audience engagement to help us understand the size of the active player base engaged with our games on a daily basis.

**Monthly Active Users ("MAU"):** MAU is defined as the number of individuals who played a game in a particular month. As with DAU, an individual who plays two different games in the same month is counted as two MAU while an individual who plays the same game on two different devices is counted as one MAU. Average MAU is calculated as the average of MAU for each calendar month during the period presented. We use MAU as a measure of audience engagement to help us understand the size of the active player base engaged with our games on a monthly basis.

**Daily Paying Users ("DPU"):** DPU is defined as the number of individuals who made a purchase in a mobile game during a particular day. As with DAU and MAU, we track DPU based on account activity. As such, an individual who makes a purchase on two different

games in a particular day is counted as two DPU while an individual who makes purchases in the same game on two different devices is counted as one DPU. Average DPU is calculated as the average of the DPU for each day during the period presented. We use DPU to understand the size of our active player base that makes in-game purchases. This focus directs our strategic goals in setting player acquisition and pricing strategy.

Daily Payer Conversion: Daily Payer Conversion is defined as DPU as a percentage of DAU on a particular day. Average Daily Payer Conversion is calculated as the average DPU divided by average DAU for a given period. We use Daily Payer Conversion to understand the monetization of our active players.

Average Daily Revenue Per DAU (“ARPDau”): ARPDau is defined for a given period as the average daily revenue per average DAU, and is calculated as game and advertising revenue for the period, divided by the number of days in the period, divided by the average DAU during the period. We use ARPDau as a measure of overall monetization of our active players.

### **playAWARDS Platform Metrics**

Available Rewards: Available Rewards is defined as the monthly average number of unique rewards available in our applications’ rewards stores. A reward appearing in more than one application’s reward store is counted only once. A reward is counted only once irrespective of the inventory available through that reward. For example, one reward for a free night in a hotel room with ten rooms available for such free night is counted as one reward. Available Rewards only include real-world partner rewards and exclude PLAYSTUDIOS digital rewards. We use Available Rewards as a measure of the value and potential impact of the program for an interested player. It is assumed that the greater the variety and breadth of rewards offered, the more likely players will be to ascribe value to the program.

Purchases: Purchases is defined as the total number of rewards purchased for the period identified in which a player exchanges loyalty points for a reward. Purchases are not adjusted for refunds. Purchases only include purchases of real-world partner rewards and exclude any PLAYSTUDIOS digital rewards. The Company does not receive any compensation or revenues from Purchases. We use Purchases as a measure of audience interest and engagement with our playAWARDS platform.

Retail Value of Purchases: Retail Value of Purchases is defined as the cumulative retail value of all rewards listed as Purchases for the period identified. The retail value of each reward listed as Purchases is the retail value as determined by the partner upon creation of the reward. In the case where the retail value of a reward adjusts depending on time of redemption, the average retail value is used. Retail Value of Purchases only include the retail value of real-world partner rewards and exclude the cost of any PLAYSTUDIOS branded merchandise. We use Retail Value of Purchases to help us understand the real-world value of the rewards that are purchased by our players.

### **Non-GAAP Financial Measures**

To provide investors with information in addition to results as determined by GAAP, the Company discloses Adjusted Earnings Before Interest Taxes Depreciation and Amortization (“AEBITDA”) as a non-GAAP measure that management believes provides useful information to investors. This measure is not a financial measure calculated in accordance with GAAP and should not be considered as a substitute for revenue, net income or any other operating performance measure calculated in accordance with GAAP.

We define AEBITDA as net income (loss) before interest, income taxes, depreciation and amortization, restructuring and related costs (consisting primarily of severance and other restructuring related costs), stock-based compensation expense, and other income and expense items (including special infrequent items, foreign currency gains and losses, and other non-cash items). We also present AEBITDA margin, a non-GAAP measure, which we calculate as AEBITDA as a percentage of net revenues.

We believe that the presentation of AEBITDA provides useful information to investors regarding the Company’s results of operations because the measure assists both investors and management in analyzing and benchmarking the performance and value of our business. AEBITDA provides an indicator of performance that is not affected by fluctuations in certain costs or other items. Accordingly, management believes that this measure is useful for comparing general operating performance from period to period, and management relies on this measure for planning and forecasting of future periods. Additionally, this measure allows management to compare results with those of other companies that have different financing and capital structures. However, other companies may define AEBITDA differently, and as a result, our measure of AEBITDA may not be directly comparable to that of other companies. For further information regarding these non-GAAP measures, including the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, please refer to the “Reconciliation of Net Income (Loss) to AEBITDA” section of this press release.

## **Forward-Looking Statements**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our future financial and operating performance, our liquidity and capital resources, the development and release plans of our games, our plans to commercialize the playAWARDS platform as a stand-alone service for use by third parties, our increased capacity and use of personnel in European and Asian studios, and our mergers and acquisition strategy, all of which involve risks and uncertainties. Actual results may differ materially from the results predicted, and reported results should not be considered as an indication of future performance. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “intends,” “believes,” “estimates,” “predicts,” “potential” or “continue,” the negative of these terms and other comparable terminology that conveys uncertainty of future events or outcomes. These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause actual results to differ materially from statements made in this press release, including our ability to develop and publish our games; risks related to defects, errors, or vulnerabilities in our games and IT infrastructure; our ability to attract new, and retain existing, players of our games; the failure to timely develop and achieve market acceptance of new games and maintain the popularity of our existing games; rapidly evolving technological developments in the gaming market; competition in the industry in which we operate; our financial performance; our ability to execute merger and acquisition transactions; legal and regulatory developments; and general market, political, economic and business conditions. Other potential risks and uncertainties that could cause actual results to differ from the results predicted include, among others, those risks and uncertainties included under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 filed with the Securities and Exchange Commission (the “SEC”) on March 3, 2022, and in other filings we make with the SEC from time to time, including our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022, to be filed with the SEC. All information provided in this release is based on information available to us as of the date of this press release and any forward-looking statements contained herein are based on assumptions that we believe are reasonable as of this date. Undue reliance should not be placed on the forward-looking statements in this press release, which are inherently uncertain. We undertake no duty to update this information unless required by law.

SOURCE: PLAYSTUDIOS, Inc.

## **PLAYSTUDIOS CONTACTS**

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**PLAYSTUDIOS, INC.**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
*(Unaudited and in thousands, except per share data)*

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Net revenues	\$ 70,451	\$ 74,097
Operating expenses:		
Cost of revenue <sup>(1)</sup>	21,033	24,488
Selling and marketing	20,540	17,000
Research and development	16,981	14,746
General and administrative	9,691	4,223
Depreciation and amortization	8,394	6,034
Restructuring and related	8,655	56
Total operating costs and expenses	<u>85,294</u>	<u>66,547</u>
Income (loss) from operations	<u>(14,843)</u>	<u>7,550</u>
Other income (expense), net:		
Change in fair value of warrant liabilities	(2,716)	—
Interest expense, net	(5)	(42)
Other income (expense), net	187	(242)
Total other income (expense), net	<u>(2,534)</u>	<u>(284)</u>
Income before income taxes	(17,377)	7,266
Income tax benefit (expense)	(7,835)	(1,348)
Net income (loss)	<u>\$ (25,212)</u>	<u>\$ 5,918</u>
Net income (loss) per share attributable to Class A and Class B common stockholders:		
Basic	\$ (0.20)	\$ 0.06
Diluted	\$ (0.20)	\$ 0.05
Weighted average shares of common stock outstanding:		
Basic	126,337	93,809
Diluted	126,337	109,951

(1) Amounts exclude depreciation and amortization.

**PLAYSTUDIOS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Unaudited and in thousands, except par value amounts)

	March 31, 2022	December 31, 2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 219,965	\$ 213,502
Receivables	20,982	20,693
Prepaid expenses	3,456	5,059
Income tax receivable	1,827	2,117
Other current assets	1,188	413
Total current assets	247,418	241,784
Property and equipment, net	7,115	5,289
Internal-use software, net	35,622	43,267
Goodwill	5,059	5,059
Intangibles, net	17,068	18,755
Deferred income taxes	3,803	6,282
Other long-term assets	12,481	14,408
Total non-current assets	81,148	93,060
Total assets	\$ 328,566	\$ 334,844
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	8,759	7,793
Warrant liabilities	9,237	6,521
Accrued liabilities	16,769	15,599
Total current liabilities	34,765	29,913
Minimum guarantee liability	—	—
Deferred income taxes	5,218	—
Other long-term liabilities	2,235	1,464
Total non-current liabilities	7,453	1,464
Total liabilities	\$ 42,218	\$ 31,377
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.0001 par value (100,000 shares authorized, no shares issued and outstanding as of March 31, 2022 and December 31, 2021)	—	—
Class A common stock, \$0.0001 par value (2,000,000 shares authorized, 110,339 and 110,066 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively)	11	11
Class B common stock, \$0.0001 par value (25,000 shares authorized, 16,130 shares issued and outstanding as of March 31, 2022 and December 31, 2021)	2	2
Additional paid-in capital	276,621	268,522
Retained earnings	9,327	34,539
Accumulated other comprehensive income	387	393
Total stockholders' equity	286,348	303,467
Total liabilities and stockholders' equity	\$ 328,566	\$ 334,844

**PLAYSTUDIOS, INC.**  
**RECONCILIATION OF NET INCOME (LOSS) TO AEBITDA**  
*(Unaudited and in thousands, except percentages)*

The following table sets forth the reconciliation of AEBITDA and AEBITDA margin, which we calculate as AEBITDA as a percentage of net revenues, to net income (loss) and net income (loss) margin, the most directly comparable GAAP measures.

	<b>Three Months Ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
Net income (loss)	\$ (25,212)	\$ 5,918
Depreciation & amortization	8,394	6,034
Income tax (benefit) expense	7,835	1,348
Stock-based compensation expense	6,868	900
Change in fair value of warrant liability	2,716	—
Restructuring and related <sup>(1)</sup>	8,655	56
Other <sup>(2)</sup>	(182)	284
AEBITDA	9,074	14,540
GAAP revenue	70,451	74,097
<b>Margin as a % of revenue</b>		
Net income (loss) margin	(35.8)%	8.0 %
AEBITDA margin	12.9 %	19.6 %

- (1) Amounts reported during the three months ended March 31, 2022 and 2021 consist of severance-related costs and amounts reported during the three months ended March 31, 2022 consist of (i) non-cash impairment charge related to the suspension of Kingdom Boss development, (ii) fees related to potential mergers and acquisitions, and (iii) fees related to the Tender Offer for the Warrants.
- (2) Amounts reported in “Other” include interest expense, interest income, gains/losses from equity investments, foreign currency gains/losses, and non-cash gains/losses on the disposal of assets.

**PLAYSTUDIOS, INC.**  
**SUPPLEMENTAL DATA – KEY PERFORMANCE INDICATORS**  
*(Unaudited and in thousands, except percentages and ARPDAU)*

	<b>Three Months Ended March 31,</b>		<b>Change</b>	<b>% Change</b>
	<b>2022</b>	<b>2021</b>		
Average DAU	1,555	1,259	296	23.5 %
Average MAU	6,913	3,733	3,180	85.2 %
Average DPU	31	36	(5)	(13.9)%
Average Daily Payer Conversion	2.0 %	2.9 %	(0.9pp)	(31.0)%
ARPDAU (in dollars)	\$ 0.50	\$ 0.65	\$ (0.15)	(23.1)%

pp = percentage points

**PLAYSTUDIOS, INC.**  
**SUPPLEMENTAL DATA – PLAYAWARDS PLATFORM METRICS**  
*(Unaudited and in thousands, except available rewards)*

	<b>Three Months Ended March 31,</b>		<b>Change</b>	<b>% Change</b>
	<b>2022</b>	<b>2021</b>		
Available Rewards (in units)	521	385	136	35.3%
Purchases (in units)	592	384	208	54.2%
Retail Value of Purchases (in dollars)	\$ 33,704	\$ 18,692	\$ 15,012	80.3%