UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

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<tr>
<td>Individually and on Behalf of All Others Similarly Situated,

Plaintiff,

v.

WIX.COM LTD., AVISHAI ABRAHAMI, LIOR SHEMESH, and NIR ZOHAR,

Defendants.</td>
<td>Case No.

<u>CLASS ACTION COMPLAINT</u>

<u>JURY TRIAL DEMANDED</u></td>
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Plaintiff (“Plaintiff”), individually and on behalf of all others 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 Wix.com Ltd. (“Wix” 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 that purchased or otherwise acquired Wix securities between February 19, 2025 and May 12, 2026, both dates inclusive (the “Class Period”), seeking to recover

damages caused by Defendants' violations of the federal securities laws and to pursue remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder, against the Company and certain of its top officials.

2. Wix operates a cloud-based web development platform. The Company offers various services that allow users to create, customize, and manage professional websites.

3. Given Wix's core business, the Company has, at all relevant times, endeavored to remain competitive by providing its customers with artificial intelligence- ("AI") powered offerings. For example, in February 2025, Defendants touted Wix's purportedly "innovati[ve]" AI technologies and solutions as a key competitive advantage the Company enjoyed. Further, in June 2025, Wix acquired Base44, a so-called "vibe coding" platform designed to enable users to build apps and websites simply by typing descriptions, without the need for any coding experience. Then, in January 2026, Wix launched Wix Harmony, intended to be the Company's flagship AI site builder, with features designed to allow users to generate website designs, content, and layouts automatically based on their preferences.

4. Defendants consistently represented throughout the Class Period that Wix's purported leadership in AI-powered web development set it apart from competitors with similar offerings. In reality, the Company's costs were accelerating at an alarming rate as it struggled to maintain its relevance in this market, particularly as competing AI technologies and services were increasingly outpacing the capabilities of Wix's own products.

5. Throughout the Class Period, Defendants made materially false and misleading statements regarding the Company's business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Wix had overstated the competitiveness and performance of its AI product offerings relative to those offered by other

companies; (ii) Wix had understated the costs associated with developing and promoting its AI product offerings; (iii) accordingly, Defendants overstated the commercial and financial benefits of Wix's AI product offerings; and (iv) as a result, Defendants' public statements were materially false and misleading at all relevant times.

6. The truth began to emerge on May 21, 2025, when Wix issued a press release reporting its financial results for the first quarter ("Q1") of 2025. Although the Company reported a 12% year-over-year increase in bookings, Wix maintained its 2025 revenue guidance in the range of $1.97 billion to $2 billion, falling short of analyst expectations. This conservative full-year ("FY") guidance fueled investor and analyst concerns regarding Wix's business and financial prospects and competition.

7. On this news, Wix's stock price fell $29.40 per share, or 16.18%, to close at $152.34 per share on May 21, 2025.

8. On November 19, 2025, Wix reported its financial results for the third quarter ("Q3") of 2025. Among other items, Wix reported that its rising post-acquisition costs to support Base44 were having a material negative impact on the Company's financial results and mitigating the positive impacts of AI-related tailwinds. Wix further revealed that these costs were generally comprised of AI compute and marketing costs.

9. On this news, Wix's stock price fell $25.22 per share, or 19.87%, to close at $101.70 per share on November 19, 2025.

10. On March 27, 2026, JPMorgan issued a report on Wix, downgrading it to an "Underweight" from "Neutral" rating, and cutting its price target ("PT") on the Company to $91.00 from $114.00. JPMorgan explained that "our conviction to the investment case has diminished on

signs of core business revenue growth deceleration", while expressing concern "that margin improvement will be slower and more volatile than investors anticipate."

11. On this news, Wix's stock price fell $2.37 per share, or 2.65%, to close at $87.14 per share on March 27, 2026.

12. On April 2, 2026, UBS likewise issued a report on Wix, downgrading it to a "Neutral" from "Buy" rating, and cutting its PT on the Company to $96.00 from $145.00, "after re-evaluating its growth algorithm for the core business and its margin profile."

13. On this news, Wix's stock price fell $8.55 per share, or 9.45%, to close at $81.95 per share on April 2, 2026.

14. On April 7, 2026, Citizens issued an investor note on Wix, downgrading it to a "Market Perform" from "Market Outperform" rating based on, *inter alia*, increased costs associated with Base44 and competition concerns.

15. On this news, Wix's stock price fell $3.26 per share, or 3.87%, to close at $80.99 per share on April 7, 2026.

16. Then, on May 13, 2026, Wix reported its Q1 2026 results, including earnings and revenue below consensus expectations, and a sharp decline in operating margins that it largely attributed to softness in its professional developer business. On a related earnings call held the same day, Defendants acknowledged that Wix's professional developer customers were using competing AI tools, the Company's new Wix Harmony platform had "holes" and "missing capabilities," there had been delays in delivering product updates and innovation to professional developer customers, and as a result the Company had fallen behind "the workflow and the needs of" professional developers.

17. On this news, Wix's stock price fell $20.56 per share, or 27.1%, to close at $55.32 per share on May 13, 2026.

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

JURISDICTION AND VENUE

19. The claims asserted herein arise under and pursuant to 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).

20. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act.

21. Venue is proper in this District pursuant to Section 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b). Plaintiff is a resident of this District, and a substantial part of the property that is the subject of this action is thus situated in this District. Moreover, pursuant to Wix's most recent annual report on Form 20-F, as of December 31, 2025, Wix had 54,989,523 of its ordinary shares outstanding. Wix's ordinary shares trade in the U.S. on the Nasdaq Global Select Market ("NASDAQ"). Accordingly, in addition to Plaintiff, there are presumably hundreds, if not thousands, of investors in Wix's ordinary shares located in the U.S., some of whom, like Plaintiff, undoubtedly reside in this District.

22. 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

23. Plaintiff, as set forth in the attached Certification, acquired Wix securities at artificially inflated prices during the Class Period and was damaged upon the revelation of the alleged corrective disclosures. Plaintiff resides in Cook County, Illinois, which is located in this District.

24. Defendant Wix is organized under the laws of the State of Israel with principal executive offices located at 5 Yunitsman Street, Tel Aviv, Israel, 6936025. The Company's ordinary shares trade in an efficient market on the NASDAQ under the ticker symbol "WIX".

25. Defendant Avishai Abrahami ("Abrahami") is a Co-Founder of Wix and served as its Chief Executive Officer ("CEO") and a Director on its Board at all relevant times.

26. Defendant Lior Shemesh ("Shemesh") served as Wix's Chief Financial Officer at all relevant times.

27. Defendant Nir Zohar ("Zohar") is a Co-Founder of Wix and served its President at all relevant times.

28. Defendants Abrahami, Shemesh, and Zohar are collectively referred to herein as the "Individual Defendants".

29. The Individual Defendants possessed the power and authority to control the contents of Wix's SEC filings, press releases, and other market communications. The Individual Defendants were provided with copies of Wix'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 Wix, and their access to material information available to them but not to the public, the 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 Individual Defendants are liable for the false statements and omissions pleaded herein.

30. Wix and the Individual Defendants are collectively referred to herein as "Defendants".

SUBSTANTIVE ALLEGATIONS

Background

31. Wix operates a cloud-based web development platform. The Company offers various services that allow users to create, customize, and manage professional websites.

32. Given Wix's core business, the Company has, at all relevant times, endeavored to remain competitive by providing its customers with AI-powered offerings. Further, Defendants consistently represented throughout the Class Period that Wix's purported leadership in AI-powered web development set it apart from competitors with similar offerings. In reality, the Company's costs were accelerating at an alarming rate as it struggled to maintain its relevance in this market, particularly as competing AI technologies and services were increasingly outpacing the capabilities of Wix's own products.

Materially False and Misleading Statements Issued During the Class Period

33. The Class Period begins on February 19, 2025, when Wix issued a press release during pre-market hours announcing its fourth quarter ("Q4") and FY 2024 results. The press release quoted Defendants Abrahami and Shemesh as widely touting the purported market edge that Wix enjoyed from its "innovati[ve]" technologies, including its AI products and services. For example, the press release quoted Defendant Abrahami as stating[1]:

[1] All emphases herein are added unless otherwise indicated.

> ***Wix sets a high standard for innovation and creativity, and we're constantly exceeding expectations.*** This past year was one of exciting innovation as we introduced ***revolutionary AI solutions*** such as the new generation AI Website Builder. We also ***made meaningful enhancements to the Studio platform, including the AI visual sitemap and wireframe generator and Figma integration among new advanced design capabilities*** . . . . 2025 is poised to reimagine and expand the Self Creator experience with the launch of two transformative products planned for the spring and early fall. I strongly believe that these will deliver immense value to users and, in turn, accelerate Self Creator growth to double-digits in the years to come. ***We're thrilled about these strategic enhancements, which are set to propel our business forward and establish a powerful foundation for the years ahead***.

34. The press release likewise quoted Defendant Shemesh as stating:

> We wrapped 2024 with accelerated growth and profitability, driven by successful execution of our product roadmap and pricing strategy as well as strong business fundamentals . . . . ***With AI usage ramping from our growing suite of innovations and Studio continuing to win market share, we anticipate these to be even bigger growth engines in 2025 and beyond.*** Solid growth will be coupled with incremental efficiencies from new internal AI initiatives and a stable operating base, ***enabling us to continue to expand margins and set new profitability records***. The high end of our outlook puts us at Rule of 45 in 2025 as ***we continue to prioritize balancing profitable growth through best-in-class innovation and steadfast execution***.

35. With respect to FY 2025, the press release stated that Defendants "expect another year of ***robust bookings and revenue growth*** powered by existing key growth initiatives and ***ongoing product enhancements*** against a ***stable and positive demand*** environment[.]"

36. The press release likewise touted Wix's purported "***continuous[] testing and rolling out [of] product enhancements*** as well as new strategic initiatives, which are driving demonstrable added value to users."

37. Moreover, the press release represented that Defendants "***expect top-line contribution from those enhancements and initiatives already rolled out and underway*** to layer in as we progress through the year, resulting in accelerated growth in 2H", and that "***[t]his acceleration is anticipated for both revenue and bookings***, even as bookings fully laps pricing tailwinds in mid-Q1'25."

38. Also on February 19, 2025, Wix published a Q4 and FY 2024 "Shareholder Update" on its website, containing, among other things, a letter from Defendant Abrahami. Therein, Defendant Abrahami made various statements regarding Wix's purportedly leading AI products and solutions, including, *inter alia*:

> ***[W]e strengthened our position as the go-to web creation platform and benefited from the early tailwinds of our AI products.***
>
> * * *
>
> 2024 was also the year of AI innovation. In addition to the significant number of AI tools introduced, we notably launched our AI Website Builder, the new generation of our previous AI site builder introduced in 2016. ***The new AI Website Builder continues to drive demonstrably stronger conversion and purchase behavior.*** In December, we also rolled out our first directly monetized AI product – the AI Site Chat.
>
> **Looking ahead, we expect top-line momentum in 2025 as we benefit from ramping contribution of these growth engines.**

(Last emphasis in original.)

39. On March 21, 2025, Wix filed an annual report on Form 20-F with the SEC, reporting its financial and operating results for its Q4 and FY ended December 31, 2024 (the "2024 20-F"). The 2024 20-F stated, *inter alia*, that Defendants "have developed a software-driven solution to web development and management that provides a ***complete and powerful*** cloud-based platform of products and services, including an ***industry-leading suite of AI-powered*** web creation tools."

40. With respect to competition, the 2024 20-F stated, in relevant part:

> We believe that the key competitive factors in our market include, simplicity and ease of use, functionality, product breadth, integration of multiple solutions, price, design quality, global scope, security and reliability, and brand recognition and reputation.
>
> ***We believe that we compete favorably on these factors because of the unique combination of our comprehensive suite of design and digital presence software,***

> ***advanced technology and product integration, efficiencies in operations, brand recognition and marketing expertise, longstanding customer, designer and developer relationships, large user base, and track record of successfully attracting new users to our website and products.***
>
> The market for providing web-based website design and management software is evolving and highly fragmented today. ***We believe no provider currently offers a comprehensive, customizable, fully integrated workflow solution to create and manage a professional digital presence comparable to ours.***

41. Appended as exhibits to the 2024 20-F were signed certifications pursuant to the Sarbanes-Oxley Act of 2002 ("SOX"), wherein Defendants Abrahami and Shemesh certified that the 2024 20-F "does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;" and that "the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report[.]"

42. The statements referenced in ¶¶ 33-41 were materially false and misleading because Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Wix had overstated the competitiveness and performance of its AI product offerings relative to those offered by other companies; (ii) Wix had understated the costs associated with developing and promoting its AI product offerings; (iii) accordingly, Defendants overstated the commercial and financial benefits of Wix's AI product offerings; and (iv) as a result, Defendants' public statements were materially false and misleading at all relevant times.

The Truth Begins to Emerge

43. The truth began to emerge on May 21, 2025, when Wix issued a press release during pre-market hours reporting its Q1 2025 results. Although the Company reported a 12% year-over-year increase in bookings, Wix maintained its FY 2025 revenue guidance in the range of $1.97 billion to $2 billion, falling short of analyst expectations. Wix also provided disappointing revenue guidance for the second quarter ("Q2") of 2025 in the range of $485 million to $489 million, versus consensus estimates of $490.13 million.

44. The foregoing conservative guidance fueled investor and analyst concerns regarding Wix's business and financial prospects and competition. Morgan Stanley, for example, noted a potential risk scenario where the Company's "[n]ew products fail to gain traction and increased competition accelerates churn." JPMorgan, meanwhile, expressed "surprise[] to see management reiterate its FY25E guide, which now appears very conservative considering the absence of [an] FX [foreign exchange] headwind", while noting that "WIX competes within a highly fragmented market for which there are not a lot of barriers to entry", and that "large, high-profile technology companies may decide to enter the space, increasing the competition or causing pricing pressure." Citi also observed that "shares are more likely to trade down than up on 2Q revenue guide and the maintained FY25 guidance despite the dissipation of FX headwinds", while likewise noting that "[t]he maintained guidance appears conservative to us[.]" Further, multiple market analysts cut their PT on Wix, with Piper Sandler cutting its PT to $225.00 from $262.00, and RBC Capital Markets ("RBC") cutting its PT to $210.00 from $245.00.

45. Following the release of its Q2 2025 results, Wix's stock price fell $29.40 per share, or 16.18%, to close at $152.34 per share on May 21, 2025. Despite this decline in the Company's stock price, Wix securities continued trading at artificially inflated prices throughout the remainder

of the Class Period because of Defendants' continued misstatements and omissions regarding the Company's AI product offerings.

46. For example, the press release reporting Wix's Q1 2025 results quoted Defendant Abrahami as stating, in relevant part:

> This year we are setting out to reimagine and expand the online creation experience and have set the bar high with the milestone release of Wixel, which I believe will democratize digital creation . . . . We have been transforming web development since 2006 and ***are now organically extending our . . . AI leadership*** . . . . What you see today is the first version of our standalone next-gen visual design platform, ***representing the culmination of years of development in advanced design and AI and unifying the best models, intuitive UI [user interface], and powerful high-end features into one cohesive platform***.

47. The same press release also quoted Defendant Shemesh as stating, in relevant part:

> Our strong first quarter results demonstrate the critical value of the Wix platform to anyone and everyone requiring an online presence globally amid an ever evolving macro environment, particularly SMBs [small and medium-sized businesses]. Top of funnel demand was very strong with Q1'25 new user cohort bookings finishing 12% higher than the bookings generated by the Q1'24 cohort in its first quarter. ***This acceleration in new cohort growth was almost entirely driven by better fundamentals, particularly an increased number of users, as well as product innovation.*** Encouragingly, these strong cohort trends have continued through April and early May, bolstering confidence in 2H bookings and revenue growth acceleration as additional cohorts layer on through the year . . . . ***Durability was broad based across our segments*** with our Partners business delivering 24% y/y revenue growth, ***fueled by ongoing market share gains***[.]

48. Also on May 21, 2025, Wix published a Q1 2025 "Shareholder Update" on its website, containing, among other things, a letter from Defendant Abrahami. Therein, Defendant Abrahami made various statements regarding Wix's purportedly leading AI offerings, including, *inter alia*:

> ***Unlike most other platforms that rely solely on text prompts***, which often leave users struggling to visualize their desired output or require tons of design knowledge, ***Wixel leverages Wix's unmatched design expertise*** to deliver results that are both visually compelling and tailored to real business needs. ***Importantly what makes Wixel unique from other offerings is the integration of the best***

> ***available AI models into one UI***, including those for object and background editing among many others, ***with a constant pipeline of the latest advancements in AI***.
>
> Moreover, hosting hundreds of millions of websites over the past decade plus ***gives us unique insight*** into how design choices influence engagement – ***enabling us to continuously finetune both our technology and creative approach*** to deliver a product that truly performs. **These strengths guarantee Wixel to be not just another text-to-image tool – it is a smart, business-focused platform built to evolve with the fast-changing AI landscape.**

(Last emphasis in original.)

49. The same letter also quoted Defendant Abrahami as representing, in relevant part, that "***[w]ith our powerful suite of AI digital design capabilities*** thoughtfully enhanced over the past nine years integrated within existing products, there was ***no one better positioned than Wix*** to democratize visual design and make creativity accessible to everyone."

50. On June 18, 2025, Wix issued a press release announcing its acquisition of Base44, which it described as "***add[ing] a powerful new arm to Wix's AI portfolio***, expanding its suite of intelligent solutions that empower anyone to build and grow online." The press release further stated, in relevant part:

> Base44's ***unique approach*** offers a fully automated, chat-based interface that manages technical details behind the scenes, from databases and authentication to deployment – removing the need for third-party integrations or manual setup. This ***groundbreaking approach*** opens the door for anyone, regardless of technical expertise, to create production-ready, scalable applications quickly and effortlessly. With proven traction in the market, including B2B [business-to-business] partnerships with leaders like eToro and SimilarWeb, ***Base44 is a powerful addition to the Wix AI portfolio*** – furthering the company's mission to make innovation accessible to creators and businesses worldwide.

51. The press release also quoted Defendant Abrahami as stating, in relevant part:

> ***This acquisition marks a pivotal milestone*** in Wix's commitment to transforming creation online . . . . Maor [Shlomo, CEO of Base44] and his team . . . ***bring cutting-edge technology, strong market penetration, and visionary leadership*** that seamlessly align with Wix's dedication to enabling users at all levels of expertise to express their intent while intelligent agents manage execution. Maor's exceptional talent and innovative mindset ***will reinforce Wix's mission to push the***

> ***boundaries of AI-driven creation and accelerate the evolution of intuitive, intelligent tools that redefine how digital experiences are built and enjoyed***.

52. On August 6, 2025, Wix issued a press release reporting its Q2 2025 results. The press release quoted the Individual Defendants, who repeatedly touted the acquisition of Base44 and demand for the Company's AI products. For example, the press release quoted Defendant Abrahami as stating, in relevant part:

> ***Demand for AI-powered online creation continues to accelerate, and Wix is leading the way*** as more people use our platform to build sophisticated, high-quality projects with greater speed and ease. This ongoing momentum drove our new cohort bookings to their highest levels since peak-COVID, ***setting the stage for continued growth in the second half of the year and beyond*** . . . . Looking ahead, we're thinking bigger – not just transforming website building, but unlocking new markets enabled by AI, such as vibe coding.
>
> ***Our acquisition of Base44 represents another major expansion into this future***, giving us immediate access to the application development market and new audiences ready to build and scale applications. ***We're already seeing extraordinary early momentum*** . . . . ***We're laying the foundation for the next era of creation*** – visual-first editing for simplicity and speed coupled with AI-powered coding capabilities for flexibility and depth, ***empowering users to create and build in ways not previously possible***.

53. The press release also quoted Defendant Zohar as stating, in relevant part, that "***[o]ur business fundamentals continued to improve in the second quarter with robust top of funnel demand, better conversion across our largest markets and improved monetization as recently launched AI tools began to bear fruit***."

54. In addition, the press release quoted Defendant Shemesh as stating:

> We expect these increasingly stronger new cohorts layering onto the platform plus growing contribution from the recent Q1 and Q2 cohorts to be the primary drivers of our expected 2H top-line growth acceleration. ***As a result of robust performance in our core business YTD [year-to-date]*** along with contribution from Base44, we are increasing our full year expectations. ***More excitingly, the cohort strength we're generating today, products we're innovating and new TAMs [total addressable markets] we're entering, are laying the foundation for robust growth in 2026 and beyond.***

55. Also on August 6, 2025, Wix published a Q2 2025 "Shareholder Update" on its website, containing, per usual, a letter from Defendant Abrahami. Therein, Defendant Abrahami continued to represent that Wix was at the forefront of the AI-powered website creation market and would be for years to come. For example, as quoted in the letter, Defendant Abrahami stated, in relevant part, that Defendants would "***drive long-term tailwinds for Wix as we continue to innovate and integrate first-in-class AI technology across our platform***," that "***Wix will continue to be the go-to platform as AI makes it easier for more people to build websites and applications*** to fit their exact needs and vision", that "***[w]e've responded to the pace of AI innovation with speed and a clear strategy***", that "***we are making big leaps today to lay the foundation to lead in decades to come***", and that "**Wix is well ahead on the path to offering the full spectrum: visual-first creation for simplicity and speed and AI-powered coding capabilities for flexibility and depth.**" (Last emphasis in original.)

56. With respect to Base44, as quoted in the same letter, Defendant Abrahami stated, in relevant part:

> A little more on our most recent expansion into this future: our acquisition of Base44. **Base44 gives us immediate access to the application development market and a completely new audience: developers, design/product teams, enterprises building internal tools, and DIY [do-it-yourself] users who want to build applications, not only websites.** This isn't just about market size, it's about recognizing early enough that vibe coding represents the future of how applications will be built.
>
> ***And we are seeing incredible returns very early on.***
>
> * * *
>
> ***[T]he long-term synergy between Wix and Base44 is also extremely compelling.*** Wix can provide the robust infrastructure that vibe coding platforms need to scale – hosting capabilities, security framework, GDPR compliance, payments processing, marketing automation, and more. **These are capabilities that Wix has carefully built over nearly 20 years – resulting in a fulsome ecosystem to serve as the operating system for a business.** So as vibe-coded projects outgrow current

> solutions and need to scale effectively, securely, and be production ready, Wix will be there to provide the next level of support and enablement for these businesses coming online.

(First and last emphases in original.)

57. The statements referenced in ¶¶ 46-56 were materially false and misleading because Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Wix had overstated the competitiveness and performance of its AI product offerings relative to those offered by other companies; (ii) Wix had understated the costs associated with developing and promoting its AI product offerings; (iii) accordingly, Defendants overstated the commercial and financial benefits of Wix's AI product offerings; and (iv) as a result, Defendants' public statements were materially false and misleading at all relevant times.

58. On November 19, 2025, during pre-market hours, Wix reported its Q3 2025 results. Among other items, Wix reported that its rising post-acquisition costs to support Base44 were having a material negative impact on the Company's financial results and mitigating the positive impacts of AI-related tailwinds. For example, the press release reported Q3 2025 free cash flow of $127.3 million, noting that, "***[e]xcluding acquisition-related costs***, free cash flow . . . would have been $159.4 million, or 32% of revenue[.]" Further, on a related earnings call held the same day, also during pre-market hours, Defendant Shemesh revealed, *inter alia*:

> ***[T]he costs associated with . . . BASE44 users are impacting our financials today. This misalignment between bookings and operating expenses is resulting in a short-term headwind to our free cash flow.***
>
> ***We also anticipate a short-term headwind on operating profit as we incur startup costs and initial growth investments for BASE44***, while revenue ramps, but remains insignificant to our top line today, ***the 2 areas we see the most impact are cost of revenue and sales and marketing***. On the cost of revenue side, ***we are***

> ***incurring AI processing and compute costs to support ramping BASE44 demand***. These costs tend to be front-end heavy as new users consume more AI tokens during their initial build phase. ***These expenses offset continued AI-driven productivity efficiencies*** across the customer care organization and improved Business Solutions gross margin. ***As a result, total non-GAAP gross margin in Q3 was 69%, down slightly from 70% in Q2 as expected.***
>
> On the sales and marketing side, ***third quarter non-GAAP sales and marketing expenses increased 23% sequentially as we built and deployed the marketing strategy for BASE44. This is a result of accelerated branding and acquisition marketing investments above our initial August plan to capture stronger-than-expected demand***, particularly in the back half of the quarter . . . . We also saw a slight increase in non-GAAP R&D expenses, ***which were up 7% compared to the second quarter as a result of . . . AI*** and other expenses as planned.

59. Market analysts expressed concern with the severity of Wix's rising AI-related costs. For example, the same day, Morgan Stanley stated that "visibility on margin pressure from AI investment is a key question", whereas Citi observed that investors would "focus on the lower [free cash] flow" and higher expenses. Multiple market analysts also cut their PT on Wix between November 19 to 20, 2025, with Evercore ISI cutting its PT to $160.00 from $250.00, Citizens cutting its PT to $185.00 from $210.00, Oppenheimer & Co. cutting its PT to $160.00 from $220.00, and Needham & Co. cutting its PT to $140.00 from $200.00.

60. Ultimately, Wix's stock price fell $25.22 per share, or 19.87%, to close at $101.70 per share on November 19, 2025. Despite this decline in the Company's stock price, Wix securities continued trading at artificially inflated prices throughout the remainder of the Class Period because of Defendants' continued misstatements and omissions regarding the Company's AI product offerings.

61. For example, in the same press release announcing Wix's Q3 2025 results, the Individual Defendants continued to tout the acquisition of Base44, the purportedly leading nature of Wix's AI products, and the purported long-term sustainability of the Company's business and margins. In particular, the press release quoted Defendant Abrahami as stating, in relevant part,

that "[w]ith Base44, we're . . . bringing ***the next generation of AI*** and natural-language development to applications."

62. The press release also quoted Defendant Zohar as touting Wix's "***healthy demand and robust business fundamentals***", the "***[c]ontinued strength*** in our new cohorts", and "the value of the Wix brand and ***growing importance of our platform*** for small businesses and all types of creators on the internet today.

63. The same press release likewise quoted Defendant Shemesh as stating, in relevant part:

> With market share growing from low-single digits to more than 10%[] since June, Base44 top-line growth is exceeding expectations. To capture this better than anticipated demand, ***we are accelerating our marketing investments in Base44 with strong TROI [total return on investment]***. As a result of Base44's outperformance, coupled with new cohort strength in our core Wix business, we are increasing our bookings guidance for the full year. ***I'm confident the strategic investments we're making today will enable Base44 to be a meaningful growth driver for Wix in 2026 and beyond with similar margins to our core business in the long-term.***

64. Also on November 19, 2025, Wix published a Q3 2025 "Shareholder Update" on its website, containing, per usual, a letter from Defendant Abrahami. The letter quoted Defendant Abrahami as stating, in relevant part, that "**[s]ince June, we have grown Base44 from a small player in a rapidly crowding new market to one of the top AI-powered application builders today with more than 10% audience traffic share[] in just a matter of months.**" (Emphasis in original.)

65. In addition to Defendant Abrahami's letter, the Q3 2025 Shareholder Update contained a "Financial Review" section, in which Defendants assured investors that, "**[a]s we decrease AI costs, normalize branding expenses past the initial investment phase, improve TROI targets and optimize user mix, we expect profitability to improve meaningfully with**

long-term FCF [free cash flow] margin matching that of the core Wix business." (Emphasis in original.)

66. On January 21, 2026, Wix issued a press release announcing the launch of "Wix Harmony, the company's new flagship AI website builder designed for ease, speed, and professional-grade results." The press release touted Wix Harmony's overall capabilities and reliability, stating, *inter alia*:

> ***Wix Harmony uniquely combines vibe coding with Wix's powerful visual editing capabilities***, delivering the speed of AI generation together with pixel-perfect design control and ***the reliability of Wix's mature, production-ready platform***.
>
> At the heart of Wix Harmony is Aria, an AI agent specialized in building high-quality websites . . . . ***Unlike many vibe-based tools, Aria is built on Wix's unique underlying architecture***, ensuring that changes in one area do not break the code, add bugs, or change the functionality in a different part of the site. Every action is applied across the experience, ***backed by the same production-grade quality and reliability that support millions of businesses on Wix.***
>
> * * *
>
> ***Wix Harmony is poised to be the top vibe website platform available today.***

67. Defendant Abrahami, as quoted in the same press release, likewise touted Wix Harmony's purported reliability and performance, stating, in relevant part:

> ***Our focus is on combining the best new technologies with modern design, and this is the power of Wix*** . . . . With Wix Harmony, now anyone can create a beautiful website, design easily with prompts and natural language ***without sacrificing . . . reliability and performance***. This is the benchmark of what a website builder should be.
>
> * * *
>
> Wix Harmony is our answer to how people build and create content - ***a builder that maintains all the quality and reliability Wix is known for***, while embracing a new, faster way to create.

68. On March 4, 2026, Wix issued a press release announcing its Q4 and FY 2025 results. The press release stated, *inter alia*:

> 2026 is gearing up to be a foundational year as we drive forward multiple ambitious product roadmaps, including Wix Harmony and Base44. **We believe these initiatives will cement Wix's leadership for the next decade and meaningfully expand our role across the broader online ecosystem as the world increasingly shifts towards AI, with several key launches already demonstrating encouraging results.**
>
> * * *
>
> ***Our core Wix business remains healthy and profitable.*** In 2026, we expect solid bookings and revenue performance, with flat to expanding FCF margin in our core business.

(First emphasis in original.)

69. The same press release quoted the Individual Defendants as touting Wix Harmony and Base44's performance, as well as the Company's purported leadership in its field and overall prospects. For example, the press release quoted Defendant Abrahami as stating, in relevant part:

> Early Wix Harmony performance is better-than-expected, with ***improved conversion and monetization*** . . . . Together, Wix Harmony and Base44 open up the world of what's possible on Wix, ***with Base44 significantly expanding our TAM*** to include software applications.

70. The press release also quoted Defendant Zohar as stating, in relevant part, that "***[w]e believe deeply that Harmony and Base44 are gamechangers*** . . . and the foundational pillars of Wix's growth ahead."

71. In addition, the press release quoted Defendant Shemesh as stating, in relevant part:

> We exited 2025 with ***healthy momentum***, setting us up for continued growth in 2026. ***Our cohort-based business model is stronger than ever and the value of the Wix platform is accelerating.*** We expect 2026 to be a pivotal year as ***we make category-defining innovations and expand our leadership across the broader online ecosystem as AI tech increasingly makes the impossible now possible, setting the foundation for long-term growth acceleration***. This ambitious strategy demands high-impact investments to fully unlock the market opportunity ahead as top-of-funnel demand continues to strengthen. We are playing to win and we believe our strategic execution in 2026 ***will position us for sustained profitable growth in the long term***.

72. Also on March 4, 2026, Wix published a Q4 and FY 2025 "Shareholder Update" on its website, containing, per usual, a letter from Defendant Abrahami. The letter quoted Defendant Abrahami as stating, *inter alia*:

> 2026 marks a new chapter for Wix in a new era of internet, which is becoming exponentially more AI-first. In 2006, our mission was to make Wix the go-to platform for anyone anywhere in the world to build an online presence. And over the past two decades, ***we have done just that*** – evolving Wix from a simple page website builder for users creating for themselves to ***a formidable and dominant platform*** for Self Creators, SMBs, professional designers and even enterprises. ***Recent advancements in technology have broadened our market opportunity*** and today, we are one step closer to that mission set 20 years ago as ***Wix reshapes how people create in this AI era*** and unlocks new horizons for building online.

73. The Q4 and FY 2025 Shareholder Update also contained product and business updates, stating the following regarding Wix Harmony:

> ***By uniquely combining vibe coding with our powerful visual editing capabilities, Wix Harmony is reshaping what's possible to build and manage online in the AI era.*** At its core is Aria, an AI agent that understands natural language and full site context, enabling everything from simple design updates to full page redesigns and commerce integration while leveraging our underlying architecture to ***ensure changes are reliable and consistent***.
>
> Launched in North America in January and across more geographies in recent weeks, early cohorts are encouraging with ***improving conversion rates and positive user feedback*** around the faster time-to-publish and higher-quality sites now possible. AI is driving meaningful improvements in user productivity and unlocking new, higher-value use cases on our platform, from automated design and content generation to intelligent optimization and ongoing site management. ***We expect Harmony to be a foundational growth driver for the coming years.***

74. On March 5, 2026, Wix filed an annual report on Form 20-F with the SEC, reporting its financial and operating results for its Q4 and FY ended December 31, 2025 (the "2025 20-F"). With respect to Wix Harmony, the 2025 20-F stated, *inter alia*:

> In January 2026, we released Wix Harmony, the company's new flagship AI website builder ***designed for . . . professional-grade results***. Wix Harmony ***uniquely*** combines vibe coding with drag-and-drop design control. Within Wix Harmony, users work with Aria, an AI agent specialized in building high-quality websites.

75. The 2025 20-F also contained the same statements as referenced in in ¶ 40, *supra*, regarding Wix's purported competitive advantages.

76. Appended as exhibits to the 2025 20-F were substantively the same SOX certifications as referenced in ¶ 41, *supra*, signed by Defendants Abrahami and Shemesh.

77. The statements referenced in ¶¶ 61-76 were materially false and misleading because Defendants made false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (i) Wix had overstated the competitiveness and performance of its AI product offerings relative to those offered by other companies; (ii) Wix had understated the costs associated with developing and promoting its AI product offerings; (iii) accordingly, Defendants overstated the commercial and financial benefits of Wix's AI product offerings; and (iv) as a result, Defendants' public statements were materially false and misleading at all relevant times.

78. On March 27, 2026, during pre-market hours, JPMorgan issued a report on Wix, downgrading it to an "Underweight" from "Neutral" rating, and cutting its PT to $91.00 from $114.00, stating "our conviction to the investment case has diminished on signs of core business revenue growth deceleration", while expressing concern "that margin improvement will be slower and more volatile than investors anticipate." JPMorgan further stated, *inter alia*:

> We view the website, e-commerce management, and vibe coding landscapes as structurally ***more competitive*** and opaque, which can pressure differentiation and returns. We see Base44 as a meaningful growth driver, ***but we view its ARR as lower quality given elevated churn***, a mix still skewed toward monthly subscriptions, and monetization that remains early. ***We also see the competitive bar in vibe coding rising quickly*** as the category converges toward integrated, production-grade platforms ***with well-capitalized incumbents already operating at scale***. Over the medium term, ***we are more cautious on the group and expect macro conditions to weigh on demand and temper top-line growth, while***

> ***sustained investment in Base44 likely keeps margin expansion slower and more volatile than investors expect***.

79. On this news, Wix's stock price fell $2.37 per share, or 2.65%, to close at $87.14 per share on March 27, 2026.

80. On April 2, 2026, during pre-market hours, UBS likewise issued a report on Wix, downgrading it to a "Neutral" from "Buy" rating, and cutting its PT to $96.00 from $145.00, "after re-evaluating its growth algorithm for the core business and its margin profile." UBS observed, *inter alia*:

> We believe Wix's 2026 outlook implies ***its core business is decelerating*** to ~8% vs.~12% in 2025, ***with further decel in 2027E+***. We project Base44 contributing ~50% of Wix's growth ***but with negative FCF through 2028***, keeping Wix's FCF margin in the 20s% (vs. 30%+ in core business). While we believe Wix will continue to offer a leading SaaS CMS platform and Base44 has potential to drive both growth & profitability longer term, ***we estimate the growth impairment in core business coupled with heavy investment & uncertainty in Base44*** will leave Wix modestly below "Rule of 40" in the next 3+ years vs. ~43% in 2025.

81. On this news, Wix's stock price fell $8.55 per share, or 9.45%, to close at $81.95 per share on April 2, 2026.

82. On April 7, 2026, Citizens issued an investor note on Wix, downgrading it to a "Market Perform" from "Market Outperform" rating based on, *inter alia*, increased costs associated with Base44 and competition concerns. Specifically, Citizens stated that "we expect Base44's hypergrowth will require funding and ***will be a headwind to FCF over the next several years***." Citizens further noted that, "***[m]ore importantly, we expect AI to fundamentally reshape website building, introducing more competition and creating risk around the durability of Wix's subscriber base***," while asserting that "switching costs are likely to materially fall with AI coding agents, and while we believe Wix's self-creator product is improving with zero-shot website

builds, ***AI resets Wix's historical product advantage*** that had compounded over the last ~20 years."

83. On this news, Wix's stock price fell $3.26 per share, or 3.87%, to close at $80.99 per share on April 7, 2026.

84. Then, on May 13, 2026, during pre-market hours, Wix reported its Q1 2026 results, including, *inter alia*, Q1 non-GAAP[2] earnings per share of $0.68, missing consensus estimates by $0.54, and revenue of $541.17 million, missing consensus estimates by $2.87 million. The Company also reported a sharp decline in operating margins which it largely attributed to softness in its professional developer business.

85. On a related earnings call held the same day, also during pre-market hours, Defendant Zohar acknowledged that Wix's professional developer customers were using competing AI tools, the Company's new Wix Harmony platform had "holes" and "missing capabilities," there had been delays in delivering product updates and innovation to professional developer customers, and as a result the Company had fallen behind "the workflow and the needs of" professional developers.

86. The market reacted swiftly and severely to the foregoing disclosures, with Wix's stock price falling $20.56 per share, or 27.1%, to close at $55.32 per share on May 13, 2026.

87. Further, JPMorgan cut its PT on Wix again, to $86.00 from $91.00, arguing that its Q1 2026 results show that its heavy investment phase is "far from over", while noting that revenue was weaker than expected, "likely on continued deceleration of Creative Subscriptions revenue growth[.]" JPMorgan further observed that, "considering that WIX kept its FY26E revenue growth guidance unchanged and taking into account robust expansion of Base44, it likely implies that

[2] "GAAP" refers to generally accepted accounting principles.

Creative Subscriptions revenue growth will continue to decelerate to an estimated mid-single digits in the remainder of the year[.]"

88. RBC, meanwhile, cut its rating on Wix to "Sector Perform" from "Outperform", noting that Wix had issued a "challenging" report, as "the combination of some Partner weakness along with heavy marketing spend for Base44 and a new capital structure drove a FCF miss & guide down[.]" RBC also noted that Wix's web-design business is struggling, and investors are "becoming less and less willing to underwrite this type of terminal value risk given the incessant new LLM [large language model] product rollouts[.]"

89. Other market analysts echoed JPMorgan and RBC's sentiments. For example, Citi stated that "Wix reported mixed 1Q results," with "profitability impacted by elevated marketing spend[,]" whereas Jefferies noted that, while the Company's Q1 2026 results show traction with its Base44 product, its margins fell, and the "unchanged guide absorbs Partners softness & Middle East headwinds[.]" In addition, Wells Fargo downgraded its rating on Wix to "Equal-Weight" from "Overweight", whereas Citi cut its recommendation on Wix to "Neutral" from "Buy".

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

<u>Post-Class Period Developments</u>

91. On May 25, 2026, reports emerged from multiple Israeli media outlets that Wix planned to fire up to 1,000 of its employees, or approximately 20% of its workforce, in the coming months. For example, as reported by Israeli financial newspaper *Globes* that morning, in an article entitled "Wix plans 800-1,000 layoffs":

> **Sources inform "Globes" that Wix, beset by technological changes and financial pressures, is readying for the biggest downsizing in its history.**

> Website development tools company Wix.com (Nasdaq: WIX) plans to lay off between 800 and 1,000 employees, in the largest downsizing in its history, sources inform "Globes". The wave of layoffs will affect the workforce both in Israel and globally, which amounts to thousands of people.
>
> The current decision comes just a few months after Wix cancelled its hybrid work model completely and required its employees in Israel and in other centers around the world to return to full-time work at its offices, five days a week. At the time, the company's management explained that this step was necessary in order to speed up development and reaction time. It now emerges that the return to the office was part of a broader restructuring.
>
> * * *
>
> In the past year, Wix has had to deal with rapid technological changes, chiefly the advent of generative [AI], which changes the way in which websites and digital products are built. Last year, as part of its effort to adapt itself to the new reality, Wix acquired vibe coding company Base44 . . . . The acquisition was seen as one of the most significant steps taken by Wix in its attempt to broaden its activity beyond traditional website construction and to deepen its presence in AI.
>
> **Financial pressure**
>
> Along with the technological changes, Wix has also been dealing with financial pressures from the capital market. Its most recent financials presented results that were below analysts' estimates, although the company's annual guidance was left unchanged. Wix's first quarter revenue grew by 14.3% to $541 million, but the increase in marketing costs and investment in connection with new AI products led to a switch to a net loss. After the release of the financials, Wix's share price fell by 5% in late trading.
>
> Wix carried out downsizing rounds in 2022 and 2023, mainly among service and support staff overseas. The current round is much broader, and could signal a significant change of direction in the company's global activity.
>
> No comment on the report was forthcoming from Wix.

(Emphases in original.)

92. Then, on May 28, 2026, Defendant Abrahami confirmed the foregoing reports, stating via a post on the social media platform X that, *inter alia*, "[w]e are reducing the Wix team size by roughly 20%."

Regulation S-K Item 303

93. Defendants violated Item 303 of SEC Regulation S-K, 17 C.F.R. § 229.303(b)(2)(ii) ("Item 303"), which required Wix to "[d]escribe any known trends or uncertainties that have had or that are reasonably likely to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations." Defendants failed to disclose, *inter alia*, that Wix's costs were accelerating at an alarming rate as it struggled to maintain its relevance in the AI-powered website creation market, particularly as competing AI technologies and services were increasingly outpacing the capabilities of its own products. Defendants' failure to disclose these issues violated Item 303 because these issues represented known trends or uncertainties that were likely to have a material unfavorable impact on the Company's business and financial results.

SCIENTER ALLEGATIONS

94. During the Class Period, Defendants had both the motive and opportunity to commit fraud. They also had actual knowledge of the misleading nature of the statements they made, or acted in reckless disregard of the true information known to them at the time. Given the widely accepted view that AI was paramount to the website creation market moving forward—a view shared by the Individual Defendants and market analysts, as exhibited by their repeated statements affirming this view throughout the Class Period, as detailed *supra*—Wix's ability to sustain its operations and market position while adopting AI was of the upmost importance to investors and the Individual Defendants. Indeed, at all relevant times, Defendants' repeatedly and consistently touted Wix's purportedly successful adoption and integration of new and innovative AI technologies. Defendants not only repeatedly touted Wix's purported success in thriving as a competing force in the AI-assisted website development market, but its purported success in

maintaining a ***leadership*** role at the ***forefront*** of that market. Wix's purported success in doing so formed the cornerstone of the Company's investment thesis at all relevant times, as exhibited by Defendants' repeated focus on this exact issue in earnings and press releases and SEC filings issued throughout the Class Period, as detailed herein. Defendants were thus undoubtedly laser-focused on successfully integrating new AI technologies into Wix's business to maintain its market share, as well as the costs of doing so, while issuing the materially false and misleading statements alleged herein during the Class Period. Accordingly, Defendants participated in a scheme to defraud and committed acts, practices, and participated in a course of business that operated as a fraud or deceit on purchasers of the Company's securities during the Class Period.

PLAINTIFF'S CLASS ACTION ALLEGATIONS

95. 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 those who purchased or otherwise acquired Wix securities during the Class Period (the "Class"); and were damaged upon the revelation of the alleged corrective disclosures. Excluded from the Class are Defendants herein, 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.

96. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Wix 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 Wix 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.

97. 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.

98. 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.

99. 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 during the Class Period misrepresented material facts about the business, operations and management of Wix;
- whether the Individual Defendants caused Wix to issue false and misleading financial statements during the Class Period;
- whether Defendants acted knowingly or recklessly in issuing false and misleading financial statements;
- whether the prices of Wix 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.

100. 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.

101. 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;
- Wix 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 Wix 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.

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

103. 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 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder Against All Defendants)

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

105. This Count is asserted against 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.

106. During the Class Period, 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 Wix securities; and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire Wix securities and options at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each of them, took the actions set forth herein.

107. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the 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 Wix 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 Wix's finances and business prospects.

108. By virtue of their positions at Wix, 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, 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 Defendants. Said acts and omissions of Defendants were committed willfully or with reckless disregard for the truth. In addition, each Defendant knew or recklessly disregarded that material facts were being misrepresented or omitted as described above.

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

110. The Individual Defendants are liable both directly and indirectly for the wrongs complained of herein. Because of their positions of control and authority, the Individual Defendants were able to and did, directly or indirectly, control the content of the statements of Wix. As officers and/or directors of a publicly-held company, the Individual Defendants had a duty to disseminate timely, accurate, and truthful information with respect to Wix'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 Wix securities was artificially inflated throughout the Class Period. In ignorance of the adverse

facts concerning Wix's business and financial condition which were concealed by Defendants, Plaintiff and the other members of the Class purchased or otherwise acquired Wix 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 Defendants, and were damaged thereby.

111. During the Class Period, Wix 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 Defendants made, issued or caused to be disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares of Wix securities at prices artificially inflated by 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 Wix securities was substantially lower than the prices paid by Plaintiff and the other members of the Class. The market price of Wix securities declined sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class members.

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

113. As a direct and proximate result of 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 II

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

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

115. During the Class Period, the Individual Defendants participated in the operation and management of Wix, and conducted and participated, directly and indirectly, in the conduct of Wix's business affairs. Because of their senior positions, they knew the adverse non-public information about Wix's competitive position, expenses, and false financial statements.

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

117. Because of their positions of control and authority as senior officers, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which Wix disseminated in the marketplace during the Class Period concerning Wix's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause Wix to engage in the wrongful acts complained of herein. The Individual Defendants, therefore, were "controlling persons" of Wix 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 Wix securities.

118. Each of the Individual Defendants, therefore, acted as a controlling person of Wix. By reason of their senior management positions and/or being directors of Wix, each of the Individual Defendants had the power to direct the actions of, and exercised the same to cause, Wix

to engage in the unlawful acts and conduct complained of herein. Each of the Individual Defendants exercised control over the general operations of Wix 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.

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

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.