

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **July 30, 2021**

TAKE-TWO INTERACTIVE SOFTWARE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34003
(Commission
File Number)

51-0350842
(IRS Employer
Identification No.)

110 West 44th Street, New York, New York
(Address of principal executive offices)

10036
(Zip Code)

Registrant's telephone number, including area code **(646) 536-2842**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$.01 par value	TTWO	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events

Effective July 30, 2021, senior management and certain members of the Board of Directors of Take-Two Interactive Software, Inc. (the “Company”) will begin using the materials included in Exhibit 99.1 to this report (the “Investor Presentation”) in connection with presentations to existing shareholders of the Company.

The Investor Presentation is incorporated into this Item 8.01 by reference.

Cautionary Note Regarding Forward-Looking Statements

The statements contained in the Investor Presentation in Exhibit 99.1 which are not historical facts are considered forward-looking statements under federal securities laws and may be identified by words such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “potential,” “predicts,” “projects,” “seeks,” “should,” “will,” or words of similar meaning and include, but are not limited to, statements regarding the outlook for the Company’s future business and financial performance. Such forward-looking statements are based on the current beliefs of our management as well as assumptions made by and information currently available to them, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may vary materially from these forward- looking statements based on a variety of risks and uncertainties including: the uncertainty of the impact of the COVID-19 pandemic and measures taken in response thereto; the effect that measures taken to mitigate the COVID-19 pandemic have on our operations, including our ability to timely deliver our titles and other products, and on the operations of our counterparties, including retailers and distributors; the effects of the COVID-19 pandemic on consumer demand and the discretionary spending patterns of our customers, including as the situation with the pandemic continues to evolve; the impact of reductions in interest rates by the Federal Reserve and other central banks, including on our short-term investment portfolio; the impact of potential inflation; volatility in foreign currency exchange rates; our dependence on key management and product development personnel; our dependence on our NBA 2K and Grand Theft Auto products and our ability to develop other hit titles; our ability to leverage opportunities on PlayStation 5 and Xbox Series X; the timely release and significant market acceptance of our games; the ability to maintain acceptable pricing levels on our games; and risks associated with international operations. Other important factors and information are contained in the Company’s most recent Annual Report on Form 10-K, including the risks summarized in the section entitled “Risk Factors,” and the Company’s other periodic filings with the SEC, which can be accessed at www.take2games.com. All forward-looking statements are qualified by these cautionary statements and apply only as of the date they are made. The Company undertakes no obligation to update any forward- looking statement, whether as a result of new information, future events or otherwise.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits:

[99.1](#) [Investor presentation materials to be used beginning July 30, 2021.](#)
104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TAKE-TWO INTERACTIVE SOFTWARE, INC.
(Registrant)

By: /s/ Matthew Breitman
Matthew Breitman
Senior Vice President, General Counsel Americas & Corporate Secretary

Date: July 30, 2021



**TAKE-TWO INTERACTIVE
SOFTWARE, INC.**

(NASDAQ: TTWO)

Shareholder Outreach
June 2021



Cautionary Note: Forward-Looking Statements

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Other important factors and information are contained in the Company's most recent Annual Report on Form 10-K, including the risks summarized in the section entitled "Risk Factors," and the Company's other periodic filings with the SEC, which can be accessed at www.take2games.com. All forward-looking statements are qualified by these cautionary statements and apply only as of the date they are made. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.



Take-Two: Global Leader in Interactive Entertainment



Leading developer, publisher and marketer of interactive entertainment, the strongest growth segment of the entertainment industry



CONSOLE	X	X	X			
PC	X	X	X			
MOBILE	X	X		X	X	X

Our Strategy

To develop the highest-quality, **most compelling interactive entertainment franchises** in the business and deliver them **on platforms** that are relevant to our audience.

Our Core Tenets

CREATIVITY

INNOVATION

EFFICIENCY

Our Strategic Advantages to Drive Growth

- **World-class** creative teams
- Culture of **empowering our talent** to enable creative expression
- Diverse portfolio of the **highest-quality intellectual properties** in the business
- **Best in class** global marketing and sales distribution
- Leading technology, including **creative tools and enhanced data analytics**



FY2021 Performance Update

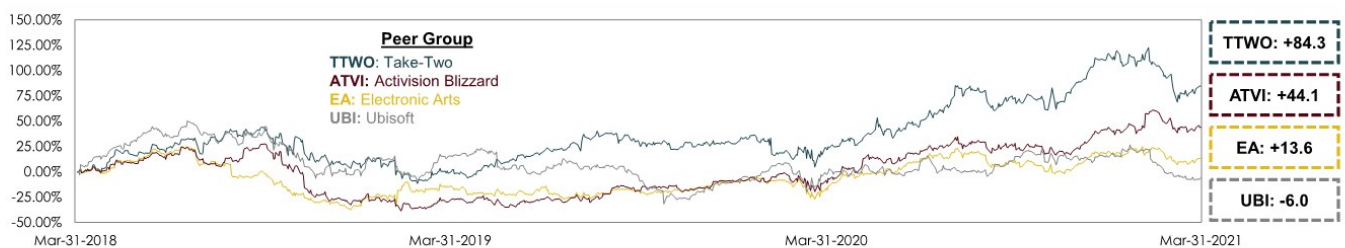
In fiscal 2021 we enhanced Take-Two for the long term by broadening our portfolio of offerings, capitalizing on diverse business models, enhancing our infrastructure, and investing in our creative talent

Key Contributors



- **GAAP net revenue was \$3.37 billion in FY2021**
 - Recurrent consumer spending increased 50% and accounted for 62% of total GAAP net revenue
- **Digitally-delivered GAAP net revenue grew 23% YoY to \$2.92 billion**
 - Digitally-delivered GAAP revenue accounted for 87% of total GAAP net revenue
- **Total net bookings of \$3.55 billion in FY2021**
 - Recurrent consumer spending increased 48% and accounted for 63% of total net bookings
- **GAAP net income per diluted share was \$5.09 in FY2021, compared to \$3.54 per diluted share for FY2020**

Consistent Share Price Growth: 3-Year TSR Performance vs. Peers⁽¹⁾



(1) TSR represents period from April 2, 2018 to March 31, 2021.

World-Class Creative Teams Fundamental to Success

Our creative teams have continued to deliver consistently superlative entertainment experiences, giving players opportunities to have fun in the most difficult of times and stay connected with family and friends through shared experiences



The Grand Theft Auto Series

- One of the **most successful, iconic and critically** acclaimed brands in all of entertainment
- **Pioneered** the open-world genre
- Series has sold-in over **345 million units**
- Grand Theft Auto V (GTAV) has **sold over 145 million units to date** and **reached \$1 billion in retail sales** faster than any entertainment release in history
- GTAV is the **best selling game of the decade** in the U.S., based on both unit and dollar sales⁽¹⁾



NBA 2K SERIES

- **Best-Selling** basketball simulation property based on dollar sales and units in the US⁽¹⁾
- Series has **sold-in over 111 million units** worldwide
- NBA 2K League, The first competitive gaming league jointly owned by a U.S. professional sports league, **debuted in May 2018**
- One of the **top contributors** to TTWO's recurrent consumer spending
- Extended the franchise with NBA 2K Online in China, NBA 2K Playgrounds 2, NBA 2K Mobile and NBA SuperCard



The Red Dead Redemption Series

- Series has sold-in nearly **60M units** worldwide
- Red Dead Redemption 2 sold in over **37M units**
- Red Dead Redemption 2: **2nd best-selling title** in the US in the past 3 years based on dollar sales⁽¹⁾
- Red Dead Online **free with every copy** of Red Dead Redemption 2
- Released **standalone version** of Red Dead Online in December 2020



DRAGON CITY

- Consistently charted in the annual **top-100 grossing** mobile games and **top-20 grossing** simulation games⁽²⁾



MONSTER LEGENDS

- Consistently charted in the annual **top-100 grossing** mobile games and **top-25 grossing** RPG games⁽²⁾



TWO DOTS

- Downloaded **80+ million times**
- **Over 1 million Daily Active Users** and 7 million Monthly Active Users



(1) NPD Group.
(2) App Annie, iOS and Google Play combined.

Highly Qualified and Independent Board⁽¹⁾

Our Board routinely reviews its composition, has taken a deliberate approach to refreshment, and believes that it benefits from having a diverse group of directors



Strauss Zelnick
Chairman and CEO

- Founder and Partner, Zelnick Media Capital, a media focused private equity firm



J Moses

- Over 40 years of experience in video games, technology, sports, entertainment, eSports & sports betting



Michael Dornemann
Lead Independent Director

- Over 30 years of consulting, corporate development, strategic advisory & media experience



Michael Sheresky

- Partner, United Talent Agency, where he has served as a motion picture talent agent since June 2009



Roland Hernandez

- Former CEO, Chairman & President, Telemundo Group



LaVerne Srinivasan

- VP of the National Program & Program Director for Education, Carnegie Corporation of New York



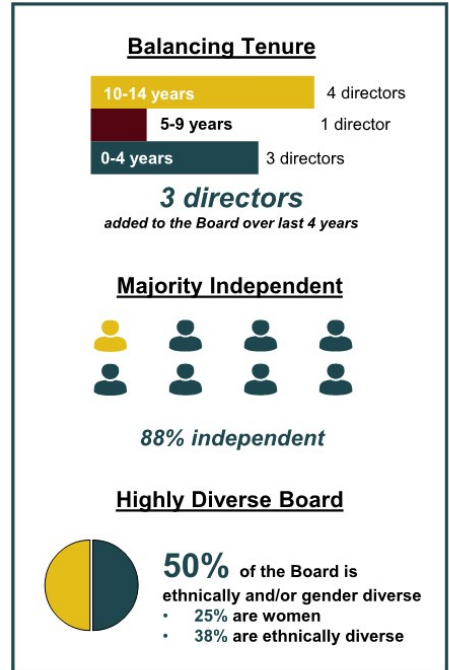
Susan Tolson

- Over 20 years of experience in financial services at Capital Research & Management



Paul Viera

- Founder & CEO, Earnest Partners, a global investment firm



(1) As disclosed in Take-Two's 2020 Proxy Statement.

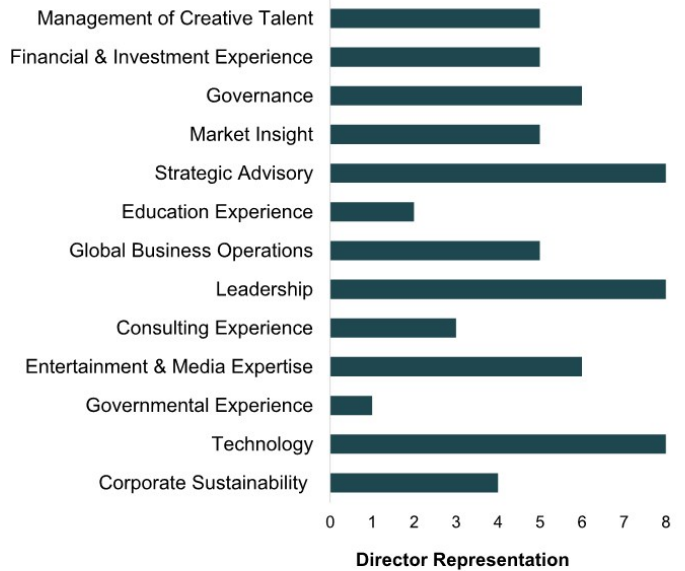
Board Composition Promotes Effective Strategic Oversight

Our directors bring a diversity of skills and experiences that are relevant to our business and enable the Board to provide strong oversight and effectively oversee management's execution of strategy

Robust Lead Independent Director Responsibilities

- ✓ Presiding at all Board of Directors meetings at which the Chairman is not present;
- ✓ Convening regular and special meetings of the independent directors;
- ✓ Developing the agenda for executive sessions of the independent directors and working with the Chairman to develop and approve the agenda for meetings of the full Board of Directors;
- ✓ Coordinating feedback to the Chairman on behalf of the independent directors;
- ✓ Coordinating with the Company's Chief Legal Officer to respond to shareholders who have addressed a communication to the independent directors;
- ✓ Making himself available for shareholder communication, as appropriate (other independent directors may also participate in such communication at times); and
- ✓ Handling any matters concerning an actual or potential conflict of interest involving any other director

Director Backgrounds & Expertise⁽¹⁾



(1) As disclosed in Take-Two's 2020 Proxy Statement.

Commitment to Sound Governance Practices

Our sound governance practices demonstrate the Board's commitment to strong corporate governance, effective risk management and robust independent oversight

Our strong governance practices promote the long-term interests of our shareholders

- ✓ Extensive, year-round shareholder engagement
- ✓ Annual evaluation of the Board and its Committees
- ✓ Annual review of Board leadership structure
- ✓ Ongoing review and refreshment of Board composition
- ✓ Lead Independent Director with clearly defined role and responsibilities
- ✓ Board oversight of risk management
- ✓ Shareholder right to call special meetings
- ✓ Shareholder right to act by written consent
- ✓ No supermajority voting requirements
- ✓ Strong anti-hedging, anti-pledging and insider trading policies
- ✓ Robust Code of Business Conduct and Ethics for all directors and officers
- ✓ Independent Audit Committee, Compensation Committee and Corporate Governance Committee

The Board of Directors places a premium on, oversees and, together with management, regularly participates in an extensive, year-round shareholder engagement program to encourage ongoing, meaningful dialogue

In 2020, we reached out to shareholders representing over:



- Discussed a diverse range of topics with our shareholders, including board, governance, and executive compensation practices
- In response to feedback from our shareholders, we formed a management committee with respect to environmental, social and governance matters, which is overseen by the Corporate Governance Committee
- Management committee has continued to evaluate and administer the Company's environmental, social and governance efforts
- We have also continued to enhance our disclosures related to certain human capital and sustainability matters

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Executive Compensation Program Overview

Our executive compensation program's design, in particular the use of equity awards as a key incentive element, establishes strong links between our creative teams and long-term value creation for shareholders

Management Agreement with ZelnickMedia ⁽¹⁾			
Compensation Component	% Linked to Performance	Delivery Form	Performance Link
Annual Base Fee	N/A	Cash	N/A
Annual Incentive	100%	Cash	Adjusted EBITDA
Long-Term Incentive (Equity Grants)	55% at target	Time-Based Awards	N/A
	71% at maximum	Performance-Based Awards	75% Relative TSR Performance 12.5% Recurrent Consumer Spending Performance 12.5% IP Performance
Compensation Components for Other Take-Two NEOs ⁽¹⁾			
Compensation Component	% Linked to Performance	Delivery Form	Performance Link
Annual Base Salary	N/A	Cash	N/A
Annual Incentive	100%	Cash	Adjusted EBITDA
Long-Term Incentive (RSUs)	66.7% at target	Time-Based Awards	N/A
	80% at maximum	Performance-Based Awards	Relative TSR

Management Agreement

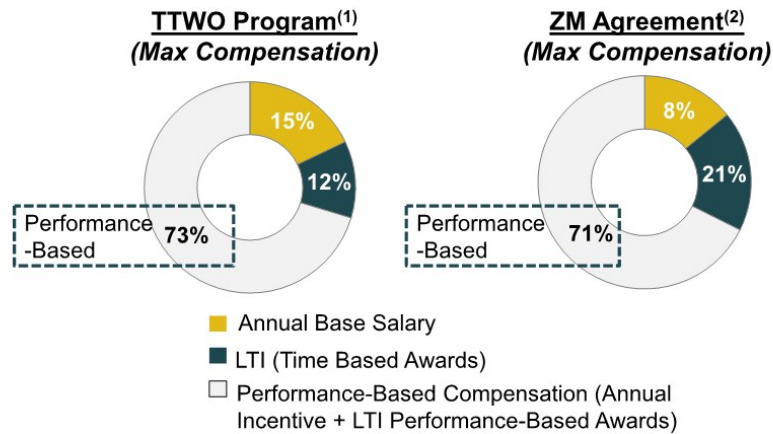
- On November 17, 2017, we entered into a new Management Agreement with ZelnickMedia, effective January 1, 2018
- The Agreement emphasizes performance-based, at-risk compensation and equity with greater than one-year vesting
- The Board and Compensation Committee regularly evaluate the relationship with ZelnickMedia to ensure it is still the appropriate management structure for the Company



⁽¹⁾ For further detail, refer to Take-Two's proxy filed on July 24, 2020.

Highly Performance-Based Compensation Program

The performance-based nature of our compensation plan creates a strong link between our executives' compensation and the Company's performance



Design Features that Support Pay and Performance Alignment

- ✓ Annual incentives determined by performance against a pre-set, objective financial metric
- ✓ Performance metric for annual incentive plans is Adjusted EBITDA
- ✓ Caps on annual incentive awards
- ✓ Majority of compensation is delivered in equity
- ✓ Majority of long-term incentive compensation is performance-based
- ✓ Vesting of performance equity is based on relative TSR performance and product performance

- **Majority of pay opportunity for Take-Two's NEOs is performance-based**
- Annual bonus opportunity is **fully performance-based for all Take-Two NEOs** and under the ZelnickMedia management agreement
- Two-thirds of equity grants for Take-Two NEOs and **more than half of all equity grants to ZelnickMedia are performance-based**



(1) Based on fiscal 2020 compensation for Take-Two NEOs.

(2) ZelnickMedia Management Agreement, based on incentive awards granted at effective date.

Strong Compensation and Governance Practices

Our sound compensation and governance practices demonstrate the Board's commitment to strong corporate governance, effective risk management and robust independent oversight

Governance "Best Practices"

- ✓ Extensive, year-round shareholder engagement
- ✓ Annual evaluation of the Board and its Committees
- ✓ Annual review of Board leadership structure
- ✓ Ongoing review and refreshment of Board composition
- ✓ Lead Independent Director with clearly defined role and responsibilities
- ✓ Board oversight of risk management
- ✓ Shareholder right to call special meetings
- ✓ Shareholder right to act by written consent
- ✓ No supermajority voting requirements
- ✓ Strong anti-hedging, anti-pledging and insider trading policies
- ✓ Robust Code of Business Conduct and Ethics for all directors and officers
- ✓ Independent Audit Committee, Compensation Committee and Corporate Governance Committee

Compensation "Best Practices"

- ✓ Clawback policy applicable to NEOs, including those under the 2017 Management Agreement with ZelnickMedia
- ✓ Caps on annual bonuses to NEOs
- ✓ Strong anti-hedging and anti-pledging policies
- ✓ Double trigger acceleration of vesting on a change in control for grants made under an equity plan
- ✓ Meaningful stock ownership requirements for ZelnickMedia, other NEOs and directors
- ✓ Annual compensation risk assessment for employee plans
- ✓ Equity incentive plan provisions that prohibit repricing of stock options without shareholder approval
- ✓ Limited perquisites
- ✓ No tax gross ups in respect of any excise taxes on parachute payments
- ✓ Retention of independent compensation consultants by the Compensation Committee
- ✓ Balanced compensation approach between short- and long-term incentive opportunities



Our ESG Priorities

We believe that focusing on corporate responsibility creates value not only for our Company, but also for our shareholders and stakeholders

Oversight of ESG

- Recently formed a management committee with respect to ESG matters and engaged multiple external partners to help oversee in-depth reviews of our ESG practices and develop an appropriate plan of action
 - To ensure that sustainability considerations are incorporated into corporate strategy, future disclosures, and long-term goals to maintain and advance sustainable value
 - Management committee is overseen by the Corporate Governance Committee
 - Committee initially to focus on the following topics: (1) Board diversity and refreshment, (2) human capital management, (3) sustainability, and (4) cybersecurity

Board Diversity & Refreshment

- Ensure that the Board continues to take a deliberate and thoughtful approach to refreshment:
 - Three of our eight director nominees having served for five years or less
 - All three of these recent additions are women and/or minorities

Human Capital Management

- Focus on talent retention and acquisition through initiatives such as:
 - Job development and skills training
 - Extensive and robust employee benefits and wellbeing programs
 - Engagement with the leadership teams across labels to foster unique and inclusive workforce cultures

Sustainability

- Manage the integration of environmental responsibility and sustainability into our operational and product strategies
- Focus efforts to reduce our carbon footprint in operations by making environmentally-conscious choices in our offices worldwide

Cybersecurity

- Continue investment of resources to guard against cyber risks and to protect data and systems
- Additionally, our Audit Committee regularly receives reports regarding key cyber risks including the transmission of personal and confidential information

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Increased Focus on Human Capital Management

One of our most important assets is our people and despite the challenges of the pandemic, creativity and innovation remained the core tenets of our organization

Supporting Employees During COVID-19

- Implemented programs to make sure employees felt supported in their roles, including:
- Provided enhanced manager training to help strengthen teams despite the physical distance
- Broadened our wellness and mental health offerings
- Encouraged employees to step away from their screens when they could
- Regularly solicited feedback from employees and conducted surveys to assess areas where we can further support our talent
- Partnered with the leadership at our labels to foster the types of cultures our leaders believe best support and grow the creative processes for their particular teams

Diversity, Equity & Inclusion Strategy

- Providing support to organizations working to eradicate social and racial injustice as well as providing educational, athletic, and other opportunities to underserved communities
- Working with organizations to support the rights of the LGBTQIA community
- Increasing diversity in the industry's talent pipeline through scholarships to minority game design students and supporting organizations that bring STEM opportunities to children in underserved communities
- Delivering interview training and career counseling to young adults in those same communities
- Celebrating cultural differences through various employee affinity groups and company events and offerings





THANK YOU
