

**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): September 6, 2022

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:

Title of each class	Trading Symbol	Name of each exchange on which registered
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 September 6, 2022, 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: risks relating to our combination with Zynga; 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 both consumer demand and the discretionary spending patterns of our customers as the situation with the pandemic continues to evolve; the risks of conducting business internationally; the impact of changes in interest rates by the Federal Reserve and other central banks, including on our short-term investment portfolio; the impact of 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|S; 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," the Company's most recent Quarterly Report on Form 10-Q, 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 September 6, 2022.](#)

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: September 6, 2022



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

(NASDAQ: TTWO)

Investor Presentation
September 2022

Fiscal 2022 Performance Update

We continue to enhance our position as a leading multi-platform developer, broadening our portfolio, capitalizing on diverse business models, improving our infrastructure, and investing in our creative talent

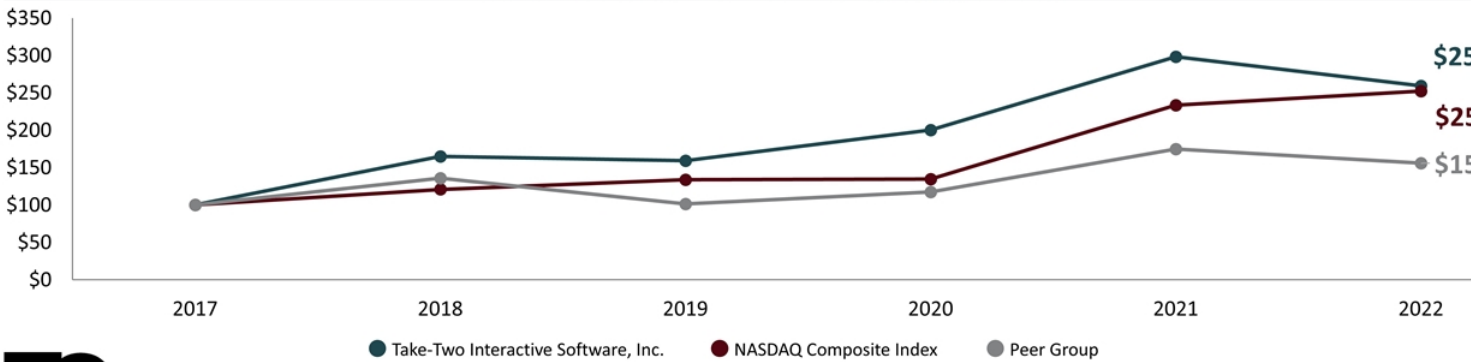


Strong Execution in Fiscal 2022	
Net Revenue \$3.50 Billion	Net Cash Provided by Operative Activities \$258.0 Million
Digital Revenue \$3.15 Billion 90% of Net Revenue	Net Bookings (operating metric) \$3.41 Billion
Recurrent Consumer Spending (virtual currency, add-on content, and in-game purchases) \$2.27 Billion 65% of Net Revenue	

- ### Positioned for Growth
- Investing in the **strongest development pipeline** in the Comp history
 - Promoting engagement and growth** in recurrent consumer s
 - Creating value from our combination with Zynga⁽¹⁾, which **significantly diversifies our business and establishes our leadership position in mobile**, the fastest growing segment of the intera entertainment industry

Delivering Long-Term Shareholder Value

Comparison of 5 Year Cumulative TSR Through March 31, 2022⁽²⁾



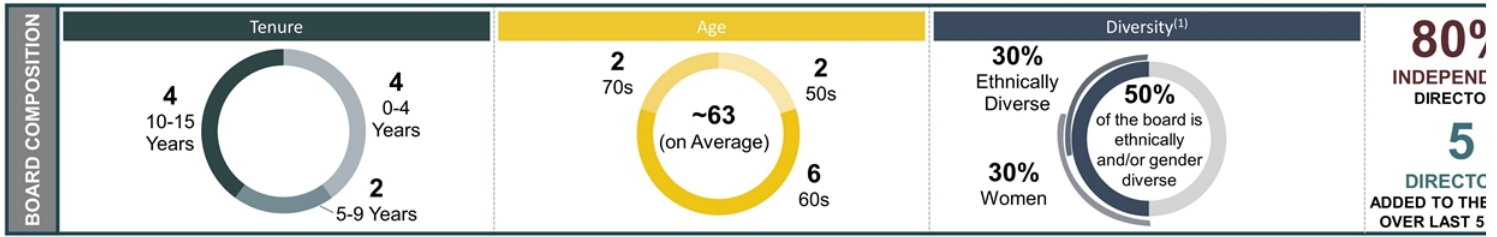
(1) The acquisition of Zynga was announced in January 2022 and closed in May 2022.

(2) Graph assumes \$100 was invested on March 31, 2017 in the applicable stock or index and that all dividends were reinvested. Peer Group consists of Activision Blizzard, Inc. and Electronic Arts Inc.

Highly Qualified and Independent Board

Our Board has taken a deliberate approach to ensure a diverse group of directors across experience, gender, ethnicity and other factors

Strauss Zelnick <i>Chairman and CEO</i>	Michael Dornemann <i>Lead Independent Director</i>	William "Bing" Gordon	Roland Hernandez	J Moses
<ul style="list-style-type: none"> Chairman and CEO, Take-Two Interactive Software, Inc. 	<ul style="list-style-type: none"> Retired Chairman and CEO, Bertelsmann Entertainment 	<ul style="list-style-type: none"> Partner, Kleiner Perkins Caufield & Byers 	<ul style="list-style-type: none"> Founding Principal and Chief Executive Officer of Hernandez Media Ventures 	<ul style="list-style-type: none"> Principal, J Moses Pr
Michael Sheresky	Ellen Siminoff	LaVerne Srinivasan	Susan Tolson	Paul Viera
<ul style="list-style-type: none"> Partner, United Talent Agency 	<ul style="list-style-type: none"> Seasoned media and technology executive and board member 	<ul style="list-style-type: none"> Vice President, Carnegie Corporation of New York 	<ul style="list-style-type: none"> Retired Portfolio Manager, Capital Research and Management Company 	<ul style="list-style-type: none"> Chief Executive Office Earnest Partners LLC



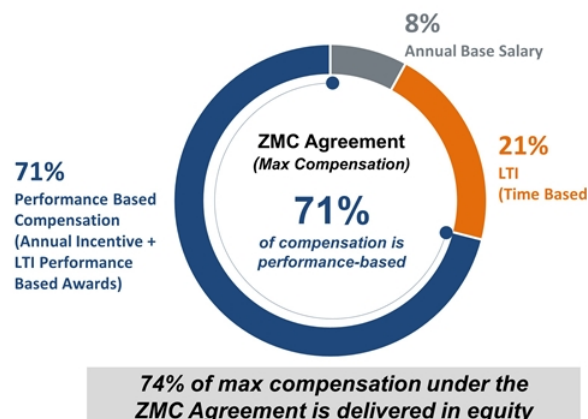
Joined Board following the close of the Zynga Inc. combination

(1) Three Female Directors (Ms. Tolson, Ms. Siminoff, & Ms. Srinivasan); One Black or African American Director (Mr. Viera); One Hispanic, Latinx or Spanish Origin Director (Mr. Hernandez); and One Mixed-Race Director (Ms. Srinivasan).

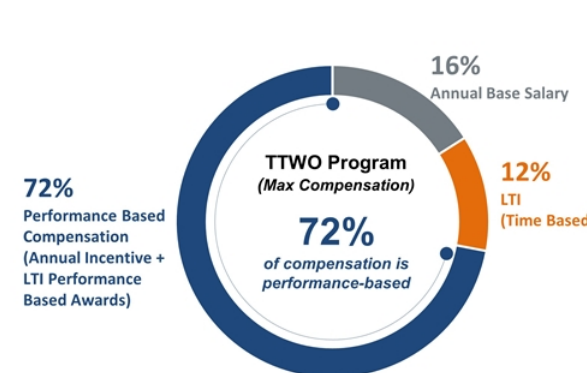
Fiscal 2022 Executive Compensation Program Overview

The performance-based nature of our compensation plan creates a strong link between executive compensation and Company performance

Management Agreement with ZelnickMedia (ZMC)			
Compensation Component	% Linked to Performance	Delivery Form	Performance Link
Annual Mgmt. Fee	--	Cash	--
Annual Incentive	100%	Cash	Adjusted EBITDA
Long-Term Incentive (Equity Grants)	55% at target	Time-Based Awards	--
	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			
Compensation Component	% Linked to Performance	Delivery Form	Performance Link
Annual Base Salary	--	Cash	--
Annual Incentive	100%	Cash	Adjusted EBITDA
Long-Term Incentive (RSUs)	66.7% at target	Time-Based Awards	--
	80% at maximum	Performance-Based Awards	Relative TSR



Annual and Long-Term Incentives Based on Performance

Annual and long-term incentives for ZMC and our other NEOs are based on measurable financial and share price performance metrics that reflect key measures of our success and rigorous targets

Annual Incentive Metrics and Goal Setting

Our annual incentive award is based exclusively on financial performance, specifically Adjusted EBITDA. In establishing a target each year, the Board of Directors works closely with management as part of an iterative process to set the budget and determine an appropriate target based on the Company's goals and objectives for the upcoming fiscal year.

- For Fiscal 2022 Adjusted EBITDA targets, the Board of Directors specifically considered
 - Expected **increase in development and marketing costs** associated with titles scheduled to be released vs. fiscal 2021;
 - Significant **increase in planned investment** for fiscal 2022 across personnel, marketing, research, development and IT;
 - Risk of expected **moderation in engagement** with our titles from pandemic-driven all-time highs achieved in fiscal 2021 and increased spend to prepare for the return of employees to physical offices
- The fiscal 2022 Adjusted EBITDA target was set above the target for fiscal 2021, and below the actual Adjusted EBITDA achieved in fiscal 2021, which was an all time-record for Take-Two
- Adjusted EBITDA achievement for fiscal 2022 reflects strong execution throughout the year, including **outperformance by some of our older titles**, and **less moderation in engagement** than we had anticipated when pandemic-related restrictions lessened
 - Actual fiscal 2022 adjusted EBITDA was less than the record achieved in fiscal 2021, but represents the **second-highest level in our history**. Because of our **rigorous target setting process**, this level of performance still resulted in less than max payout for our executives

Performance Based Equity Awards

Our performance-based equity awards are designed to complement the operational goal in our annual incentive awards by primarily rewarding long-term shareholder value creation

- 75% of ZMC performance-based equity, and 100% of other NEOs performance-based equity is driven by relative TSR performance
- There is zero payout if relative TSR is less than the 40th percentile and maximum payout requires performance at or above the 75th percentile

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2022 ZelnickMedia Management Agreement

Take-Two and ZelnickMedia entered into a new management agreement in May 2022 that will be in effect for fiscal 2023 compensation

Key Features of the 2022 ZelnickMedia Management Agreement

In establishing the new agreement, the Board was focused on further enhancing the performance-based and at-risk nature of the compensation structure and transparency of compensation to our CEO and President.

- **Several structural enhancements were made to the performance-based equity component** and these changes were directly informed by shareholder feedback, specifically:
 - **Increasing the proportion of performance-based shares** from 55% to 67%
 - **Lengthening the measurement period for the performance-based equity to 3 years** for both relative TSR performance and recurrent consumer spending (RCS)
 - **Increasing the weighting of the recurrent consumer spending (RCS) metric** from 12.5% to 25%
 - **Relative TSR peer group updated to Nasdaq-100** from the NASDAQ Composite Index
- **Continued transparency** of compensation to our CEO and President
 - Individual fee caps for Messrs. Zelnick and Slatoff for compensation paid by ZMC for their services to Take-Two provide shareholders with strong transparency



Pay-for-Performance and Compensation Governance Practices

We maintain strong compensation governance practices that support our pay-for-performance principles

Compensation “Best Practices”

- ✓ Clawback policy with respect to incentive compensation
- ✓ Caps on annual bonuses to NEOs
- ✓ Double-trigger vesting on a change in control
- ✓ Meaningful stock ownership requirements (6x per annum management fee for CEO/Chairman and President; 3x annual base salary for other NEOs; and 5x annual cash retainer for directors)
- ✓ No repricing of stock options without shareholder approval
- ✓ Limited perquisites
- ✓ No tax gross ups for excise taxes on parachute payments
- ✓ Annual compensation risk assessment
- ✓ Retention of independent compensation consultants
- ✓ Balanced compensation approach between short- and long-term incentive opportunities

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Commitment to Sound Governance & Productive Shareholder Engagement

Our governance practices demonstrate the Board's commitment to strong governance, effective risk management and 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 and environmental, social and governance matters
- ✓ 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
- ✓ 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 the months leading up to the filing of the 2022 Proxy Statement, we sought discussions with holders of:



Recent Changes Informed by Feedback

Fiscal 2023 Compensation Program

- Within the 2022 ZelnickMedia agreement, made several changes, including greater proportion of performance-based equity and longer vesting periods (*see slide 6 for detail*)
- For other NEO equity incentives, the performance-based equity vesting period was increased to three years, and the time-based equity vesting period increased to four years

Disclosure Enhancements Informed by Feedback

- We continued to evaluate, administer and increase disclosure regarding the Company's environmental, social and governance efforts, including issuing our inaugural ESG report



(1) Percentage based on the Company's investors' most recent filings at the time of outreach.

We Request Your Support at the 2022 Annual Meeting

Board of Directors Voting Recommendations

PROPOSAL 1: ELECTION OF DIRECTORS

*Our Board of Directors recommends a vote **FOR** the election of ten directors*

✓
FOR

PROPOSAL 2: ADVISORY VOTE TO APPROVE THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS

*Our Board of Directors recommends a vote **FOR** the resolution approving our NEOs' compensation on a non-binding advisory basis*

✓
FOR

PROPOSAL 3: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

*Our Board of Directors recommends a vote **FOR** the ratification of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2023*

✓
FOR

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THANK YOU