

**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): **June 1, 2021**

TAKE-TWO INTERACTIVE SOFTWARE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

001-34003

(Commission File Number)

51-0350842

(I.R.S. 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 1.01 Entry into a Material Definitive Agreement

On June 1, 2021, Take-Two Interactive Software, Inc. (the “Company”) entered into an Agreement (the “Purchase Agreement”) with Nordeus Holding Limited (the “Seller”) and the guarantors named therein (the “Guarantors”), pursuant to which the Company acquired on such date 94.5% of the outstanding equity interests in Nordeus Limited, a private limited company duly organized and existing under the laws of Ireland (“Nordeus”), for initial upfront consideration of approximately \$120.5 million in cash (which amount represents the figure of \$135 million less the option purchase price described below and then adjusted for customary closing date purchase price adjustments for cash and debt) and 515,181 unregistered shares (the “Closing Consideration Shares”) of common stock of the Company, par value \$0.01 per share (the “Parent Common Stock”), calculated by dividing \$90 million by the weighted average closing price per share of the Parent Common Stock on the Nasdaq Global Select Market during the thirty trading day period ending on May 27, 2021, subject to a customary post-closing purchase price adjustment to be resolved entirely in cash. The Company has the option to purchase the remaining 5.5% of the outstanding equity interests of Nordeus for cash consideration of approximately \$12.4 million.

Pursuant to the terms of the Purchase Agreement, the Seller is entitled to receive certain earn-out payments in cash, subject to and based upon the achievement of certain EBITDA performance targets, payable after each of the first and second 12-month periods beginning on the first day of the first new calendar month following the closing date. The maximum aggregate amount of the earn-out eligible to be paid under the Purchase Agreement is capped at \$153 million.

The Closing Consideration Shares are subject to certain transfer restrictions set forth in the Purchase Agreement and may only be transferred (subject to customary exceptions) as follows: (i) an amount equal to 1/3 of the Closing Consideration Shares may be transferred from and after the closing date, (ii) an amount equal to 1/3 of the Closing Consideration Shares may be transferred from and after the date falling three months after the Completion Date and (iii) an amount equal to 1/3 of the Closing Consideration Shares may be transferred from and after the date falling six months after the closing date. The Company has agreed to register the resale of the Closing Consideration Shares pursuant to a registration statement on Form S-3, to be filed no later than June 8, 2021.

The Purchase Agreement contains customary representations and warranties as well as various covenants by the Company, the Seller and the Guarantors, including, among others, an agreement by the Seller and the Guarantors not to solicit Nordeus’ and its subsidiaries’ employees and a non-competition agreement by the Seller and the Guarantors, in each case subject to certain limitations and exceptions.

The foregoing description of the Purchase Agreement and the transactions contemplated thereby does not purport to be complete and is qualified in its entirety by reference to the Purchase Agreement, which will be filed as an exhibit to the Company’s Quarterly Report on Form 10-Q for the period ending June 30, 2021, and incorporated by reference herein. Upon its filing, the Purchase Agreement provides investors and securityholders with information regarding its terms. It is not intended to provide any other factual information about the Company, Nordeus or their respective subsidiaries and affiliates. The Purchase Agreement contains representations and warranties of the Company, on the one hand, and the Seller and the Guarantors, on the other hand, made solely for the benefit of the other. The assertions embodied in those representations and warranties are qualified by information in confidential disclosure schedules that the parties have exchanged in connection with signing the Purchase Agreement. The disclosure schedules contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the Purchase Agreement. Moreover, certain representations and warranties in the Purchase Agreement were used for the purpose of allocating risk between the Company, on the one hand, and the Seller and the Guarantors, on the other hand. Accordingly, investors and securityholders should not rely on the representations and warranties in the Purchase Agreement as characterizations of the actual state of facts or condition of the Company, Nordeus or their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Purchase Agreement, which subsequent information may or may not be fully reflected in public disclosures.

Item 7.01 Regulation FD Disclosure.

On June 2, 2021, the Company issued a press release announcing the entry into the Purchase Agreement, as described above under Item 1.01 of this Current Report on Form 8-K. A copy of the press release is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 7.01. The information in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 furnished pursuant to Item 9.01, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities under that Section. Furthermore, the information in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 furnished pursuant to Item 9.01, shall not be deemed to be incorporated by reference into the filings of the Company under the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

EXHIBIT NO.	DESCRIPTION
<u>99.1</u>	Press Release, dated June 2, 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.

By: /s/ Matthew Breitman

Name: Matthew Breitman

Title: Senior Vice President, General Counsel Americas
& Corporate Secretary

Date: June 2, 2021

**CONTACT:**

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FOR IMMEDIATE RELEASE

(Corporate Press)
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Take-Two Interactive Software to Acquire Mobile Games Developer Nordeus

Total consideration of up to \$378 million in cash, stock, and potential earn-out

*Acquisition bolsters Take-Two's mobile business and expands sports offerings
 with Top Eleven - soccer management game with over 240 million registered users*

New York, NY – June 2, 2021 – Take-Two Interactive Software, Inc. (NASDAQ:TTWO) today announced that it has acquired privately-held Nordeus for up to \$378 million. The upfront price of \$225 million is comprised of cash and \$90 million in newly issued shares of Take-Two common stock. The Nordeus founding team will receive the stock consideration and continue to run the company. The cash portion was funded from Take-Two's cash on hand. The number of Take-Two shares will be calculated by dividing \$90 million by the weighted average closing price per share on the Nasdaq Global Select Market during the thirty trading day period ending on the second trading day prior to the closing date. The cash portion of the purchase price is subject to standard closing adjustments. In addition, the agreement also includes earn-out consideration based upon Nordeus achieving EBITDA results above certain thresholds during each of the first two years. Take-Two's acquisition of Nordeus is the Company's latest strategic initiative to bolster its mobile business following the 2017 and 2020 acquisitions of Social Point and Playdots, respectively, which are overseen by Nir Efrat, Senior Vice President and Head of Mobile for Take-Two.

Founded in 2010, Nordeus is a mobile games company based in Belgrade, Serbia, best known for *Top Eleven*, the world's most successful mobile soccer management game* with over 240 million registered users. *Top Eleven* provides players with a platform for creating and managing their own soccer clubs, while leading them through daily competitions with a global community. The evergreen title continually entertains players through innovating gameplay formats, events, and features – with additional enhancements to come. In addition, Nordeus is developing their future soccer-related mobile titles and technology. Nordeus is led by its co-founders, Branko Milutinović (CEO), Milan Jovović (CCO), Ivan Stojisavljević (CTO), and Tomislav Mihajlović (COO), who will continue to oversee the studios' approximately 180 employees following its acquisition by Take-Two. Mr. Milutinović will report to Mr. Efrat.

“Our investment in Nordeus strengthens further Take-Two’s mobile game business, is highly complementary to Social Point and Playdots, and broadens our sports portfolio with our first-ever soccer offerings,” said Michael Worosz, Executive Vice President and Head of Strategy and Independent Publishing for Take-Two. “Over the last decade, *Top Eleven* has grown its audience, revenue, and profitability through Nordeus’ introduction of live-ops and ongoing gameplay innovations that continue to drive ongoing consumer engagement. It’s also incredibly exciting for Take-Two to expand our operations into a vibrant, beautiful city such as Belgrade; the local science and engineering talent in Serbia is very strong and the quality of the Nordeus team is a testament to that. We are very pleased to welcome Branko, Milan, Ivan, and Tomislav, and the entire team at Nordeus to the Take-Two family, and are excited by the long-term potential of their development capabilities, which we expect will deliver positive contributions to our business.”

“We’re delighted to be joining the Take-Two family,” added Branko Miluntinović, CEO and co-founder of Nordeus. “From the start of our conversations with Strauss and the team, we found that we were connected with common values, culture, and a shared vision. From a start-up back in 2010, to what we are today, Nordeus has been built on giving the world more champions through great gaming experiences such as *Top Eleven*, while also rooting ourselves in the community in Serbia through our continuous efforts in giving back. We are excited to take both our products and our work locally, to the next level with them as we continue our aim of putting Serbia on the global map of gaming.”

Harbottle & Lewis LLP, Karanovic& Partners (Serbia) and Hayes Solicitors (Ireland) served as legal counsel to Take-Two, and PWC provided financial and tax counsel to the Company.

About Nordeus

Founded in 2010, Nordeus is a mobile games company based in Belgrade, Serbia, best known for *Top Eleven*, the world’s most successful mobile soccer management game* with over 240 million registered users. In November 2017, Nordeus launched the Facebook Messenger game, *Golden Boot*, which has been played by over 65 million people and was nominated for Best Instant Game in *Facebook’s Game of the Year 2017*. *Golden Boot* is also available worldwide on Android and iOS. Nordeus takes an active role in the local community, with the vision of improving the overall quality of living and working in Serbia. Since the company’s inception, many giving back efforts have been launched to improve the public medical and educational sectors with a particular focus on early childhood development. Nordeus co-founded the Digital Serbia Initiative and Serbian Games Association, in addition to the Nordeus Hub - designed specifically to help teams get into the gaming industry, all with the aim of developing the Serbian digital economy and putting Serbia on the global map of gaming. For more information about Nordeus visit www.nordeus.com, or keep up-to-date with us on [LinkedIn](https://www.linkedin.com/company/nordeus).

**Source: AppAnnie based upon downloads and revenue through April 2021.*

About Take-Two Interactive Software

Headquartered in New York City, Take-Two Interactive Software, Inc. is a leading developer, publisher and marketer of interactive entertainment for consumers around the globe. We develop and publish products principally through Rockstar Games, 2K, Private Division, Social Point, and Playdots. Our products are designed for console systems and personal computers, including smartphones and tablets, and are delivered through physical retail, digital download, online platforms and cloud streaming services. The Company’s common stock is publicly traded on NASDAQ under the symbol TTWO. For more corporate and product information please visit our website at <http://www.take2games.com>.

All trademarks and copyrights contained herein are the property of their respective holders.

Cautionary Note Regarding Forward-Looking Statements

The statements contained herein 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 both consumer demand and the discretionary spending patterns of our customers as the situation with the pandemic continues to evolve; our ability to successfully integrate Nordeus' operations and employees; the risks of conducting business internationally; 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|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.

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