



Take-Two Interactive Software, Inc.

(NASDAQ: TTWO)

Second Quarter Fiscal 2021 Results

CAUTIONARY NOTE: FORWARD-LOOKING STATEMENTS

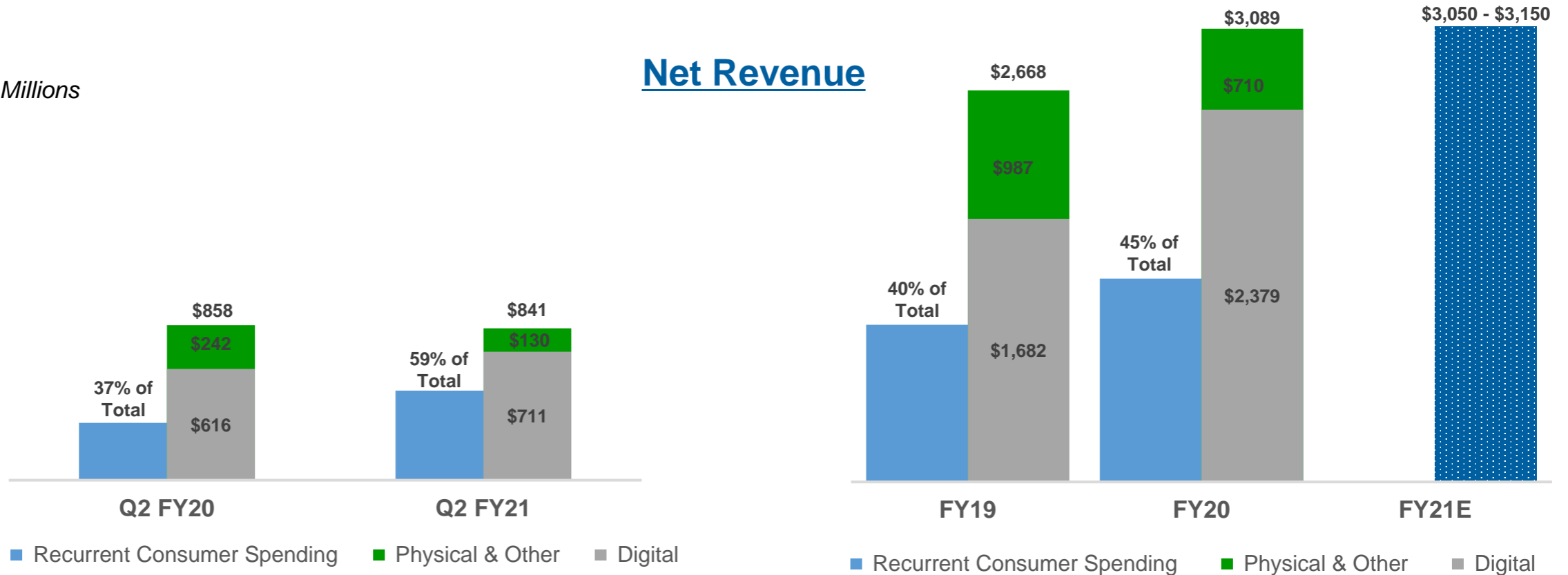
The statements contained herein which are not historical facts are considered forward-looking statements under federal securities laws and may be identified by words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "potential," "predicts," "projects," "seeks," "should," "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 consumer demand and the discretionary spending patterns of our customers; 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 *Grand Theft Auto* and *NBA 2K* 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," 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.

Net Revenue & Net Bookings

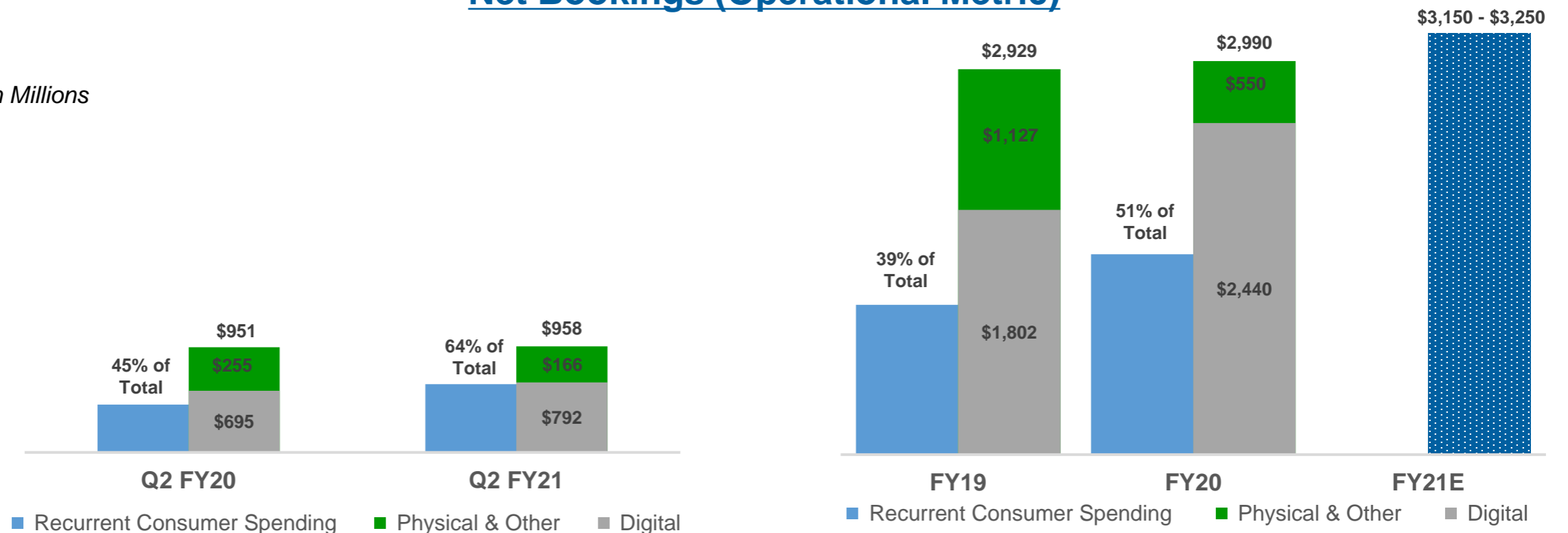
\$ in Millions

Net Revenue



Net Bookings (Operational Metric)

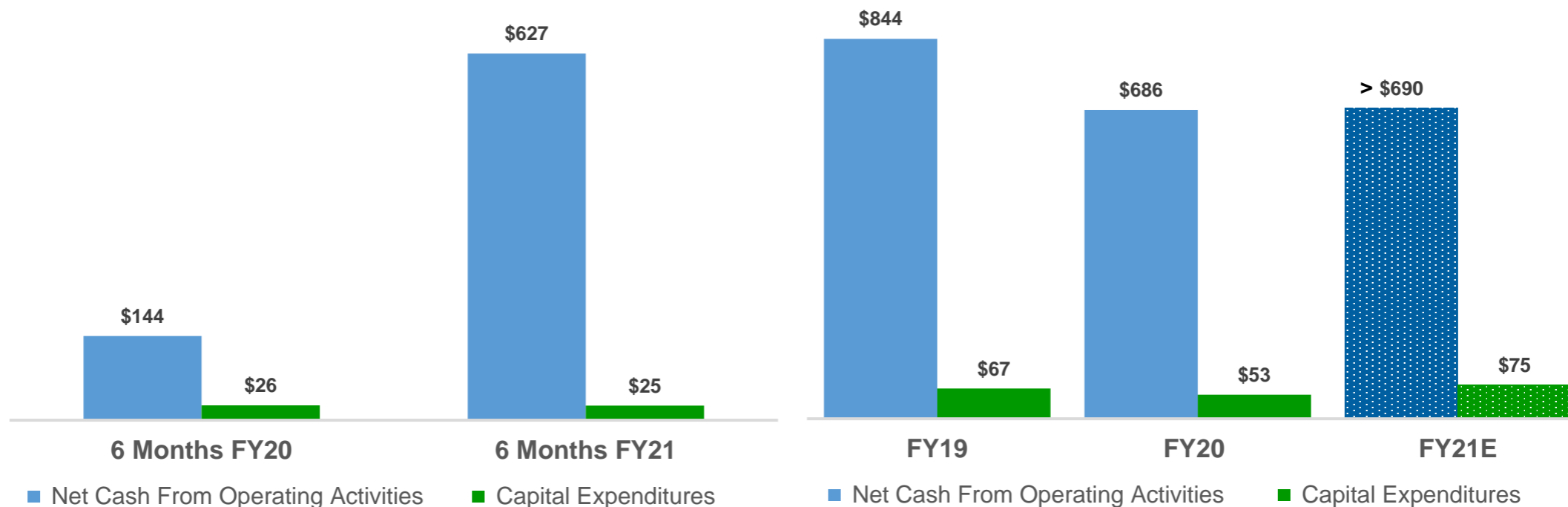
\$ in Millions



Cash Flow

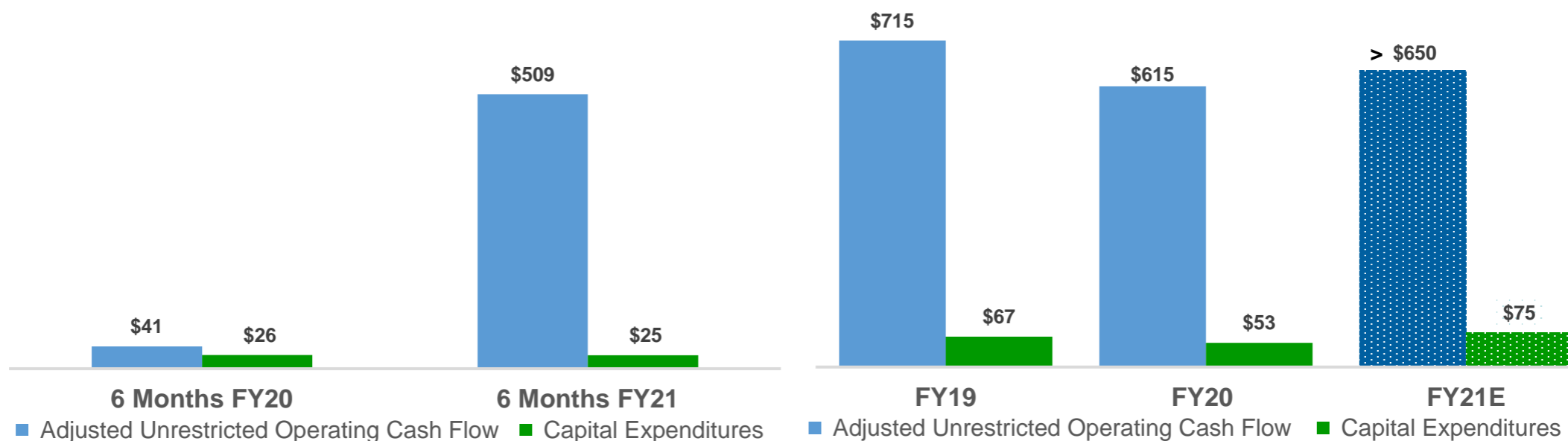
Net Cash From Operating Activities ⁽¹⁾

\$ in Millions



Adjusted Unrestricted Operating Cash Flow (Non-GAAP) ⁽²⁾

\$ in Millions



- (1) During Q1 FY19, the Company adopted Accounting Standards Update 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* and applied that standard retroactively. The application of this new standard resulted in a decrease to net cash from operating activities of \$128.1 million in FY19, as reflected in the charts above.
- (2) The Company is reporting a Non-GAAP measure of financial performance: Adjusted Unrestricted Operating Cash Flow, which is defined as GAAP net cash from operating activities, adjusted for changes in restricted cash.

Non-GAAP Financial Measure

In addition to reporting financial results in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses a Non-GAAP measure of financial performance: Adjusted Unrestricted Operating Cash Flow, which is defined as GAAP net cash from operating activities, adjusted for changes in restricted cash. The Company's management believes it is important to consider Adjusted Unrestricted Operating Cash Flow, in addition to net cash from operating activities, as it provides more transparency into current business trends without regard to the timing of payments from restricted cash, which is primarily related to a dedicated account limited to the payment of certain internal royalty obligations.

This Non-GAAP financial measure is not intended to be considered in isolation from, as a substitute for, or superior to, GAAP results. This Non-GAAP financial measure may be different from similarly titled measures used by other companies. In the future, Take-Two may also consider whether other items should also be excluded in calculating this Non-GAAP financial measure used by the Company. Management believes that the presentation of this Non-GAAP financial measure provides investors with additional useful information to measure Take-Two's financial and operating performance. In particular, this measure facilitates comparison of our operating performance between periods and may help investors to understand better the operating results of Take-Two. Internally, management uses this Non-GAAP financial measure in assessing the Company's operating results and in planning and forecasting.

RECONCILIATION OF GAAP TO NON-GAAP MEASURE

<i>\$ in Thousands</i>	Six Months Ended September 30,	
	2020	2019
Net cash from operating activities	\$ 626,745	\$ 144,158
Net change in Restricted cash	(117,393)	(102,910)
Adjusted Unrestricted Operating Cash Flow	\$ 509,352	\$ 41,248
	FY 2021	FY 2020
Restricted cash beginning of period (4/1)	\$ 635,728	\$ 565,461
Less Restricted cash end of period (9/30)	739,681	668,371
Less Restricted cash related to acquisitions	13,440	-
Net change in Restricted cash	\$ (117,393)	\$ (102,910)



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