

**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): October 1, 2020

ZYNGA INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-35375
(Commission
File Number)

42-1733483
(IRS Employer
Identification No.)

699 Eighth Street
San Francisco, CA 94103
(Address of Principal Executive Offices)

94103
(Zip Code)

Registrant's Telephone Number, Including Area Code: (855) 449-9642

Not Applicable

(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 Instructions 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(s)	Name of each exchange on which registered
Class A common stock	ZNGA	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 2.01. Completion of Acquisition or Disposition of Assets.

On October 1, 2020, Zynga Inc., a Delaware corporation (“Zynga”), completed its previously announced acquisition of 80% of all issued and outstanding share capital of Rollic Games Oyun Yazılım ve Pazarlama Anonim Şirketi, a Turkey joint stock company (“Rollic”), pursuant to the Share Sale and Purchase Agreement (the “Agreement”) dated August 4, 2020, between the shareholders (collectively, the “Sellers”) of Rollic and Zynga.

At closing, including the adjustments and certain transaction expenses as set forth in the Agreement, Zynga paid approximately \$180 million in cash (the “Closing Consideration”) to the Sellers. Pursuant to the Agreement, \$16 million of the Closing Consideration was deposited into an escrow fund in cash as security for certain indemnification obligations of the Sellers.

A copy of the Agreement is attached as Exhibit 2.1 to Zynga’s Current Report on Form 8-K filed on August 5, 2020. The foregoing description of the Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Agreement.

On October 1, 2020, Zynga and the Sellers entered into an Amendment Agreement to the Agreement (the “Amendment”) to agree on certain clarifying revisions related to the calculation of the Step-In Consideration under the Agreement. A copy of the Amendment is attached as Exhibit 2.2 to this Current Report on Form 8-K. The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment.

Item 3.02. Unregistered Sales of Equity Securities.

The information set forth under Item 2.01 of this Current Report on Form 8-K is hereby incorporated into this Item 3.02. In accordance with the Agreement, Zynga will acquire the remaining 20% of the issued and outstanding share capital of Rollic during each of the three years following the closing (the “Step-In Period”) payable annually based upon the achievement of specified growth and profitability metrics by Rollic, as set forth within the Agreement. The additional consideration related to Step-In Period (the “Step-In Consideration”) will consist of at least 50% of each payment in cash and the remainder, at Zynga’s discretion, in cash and unregistered shares of Zynga’s Class A common stock (the “Zynga Stock”) based on the volume-weighted average closing price of the Zynga Stock during a 30 consecutive trading day period in advance of each payment. Following the end of the Step-In Period, Rollic will be a direct, wholly-owned subsidiary of Zynga. Any shares of Zynga Stock issued as Step-In Consideration are to be issued pursuant to exemptions from registration provided by Section 4(a)(2) and/or Regulation S of the Securities Act of 1933, as amended (the “Securities Act”).

Item 7.01. Regulation FD Disclosure.

On October 2, 2020, Zynga issued a press release announcing the closing of the acquisition of Rollic. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. The information furnished in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
2.1+	Share Sale and Purchase Agreement relating to the sale and purchase of the entire issued share capital of Rollic Games Oyun Yazılım ve Pazarlama Anonim Şirketi between those persons listed in Schedule 1 as Sellers and Zynga Inc. as Purchaser (incorporated by reference to Exhibit 2.1 of the registrant’s Current Report on Form 8-K (File Number 001-35375) filed on August 5, 2020)
2.2	Amendment Agreement dated as of 1 October 2020 relating to the Share Sale and Purchase Agreement dated 4 August 2020 for the sale and purchase of the entire issued share capital of Rollic Games Oyun Yazılım ve Pazarlama Anonim Şirketi between those persons listed in Schedule 1 as Sellers and Zynga Inc. as Purchaser
99.1	Press Release, dated October 2, 2020
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document)
+	Certain portions of this exhibit have been omitted pursuant to Items 601(a)(5) and 601(b)(2) of Regulation S-K. A copy of any omitted portion will be furnished supplementally to the Securities and Exchange Commission upon request; provided, however, that Zynga may request confidential treatment pursuant to Rule 24b-2 of the Exchange Act for any document so furnished.

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 thereunto duly authorized.

ZYNGA INC.

Date: October 2, 2020

By: /s/ Phuong Y. Phillips

Phuong Y. Phillips
Chief Legal Officer and Secretary

Dated 1 October 2020

Amendment Agreement

relating to the Share Sale and Purchase Agreement dated 4 August 2020 for the sale and purchase of the entire issued share capital of Rollic Games Oyun Yazılım ve Pazarlama Anonim Şirketi

between

Those persons listed in Schedule 1
as Sellers

Zynga Inc.
as Purchaser

White & Case LLP
5 Old Broad Street
London EC2N 1DW

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This Amendment Agreement is made on 1 October 2020

Between:

- (1) The persons whose details are set out in Schedule 1 (*The Sellers*) (together, the “**Sellers**”); and
 - (2) **Zynga Inc.**, a company incorporated in Delaware with registered number 4446916 and whose registered office is at 669 8th Street, San Francisco, California 94103 (the “**Purchaser**”),
- together, the “**Parties**” and each a “**Party**”.

Whereas:

- (A) The Sellers and the Purchaser entered into an agreement dated 4 August 2020, pursuant to which the Sellers undertake to sell, and the Purchaser undertakes to buy, the entire issued share capital of Rollic Games Oyun Yazılım ve Pazarlama Anonim Şirketi (the “**Agreement**”).
- (B) The Parties now wish to amend certain provisions of the Agreement pursuant to the terms and conditions set out herein.
- (C) Clause 25 (*Variations*) of the Agreement provides that any provision of the Agreement may be amended if such amendment is in writing and the amendment is signed by or on behalf of the Parties.

It is agreed:

1. Interpretation

The defined terms herein shall have the same meaning as the defined terms in the Agreement unless noted otherwise.

2. Amendment of the Contract

2.1 With effect from the date hereof, the Parties agree that the Agreement shall be amended by:

- (a) the addition of the following new sub-clause at the end of Clause 5 (*Step-In Consideration*):

“5.10 Without prejudice to Schedule 6, if during any of the Step-In Periods, the Company (or on behalf of the Company through the Purchaser or its affiliates) either enters into any arm’s length bona fide acquisition of any asset in respect of which any associated Intellectual Property Right is also acquired, business and/or security owned by a third party or agrees to make any payment, or otherwise provide value, to any third party to extinguish or discharge an existing fiscal or contractual obligation owed to such third party and relating to the operation of the business, an amount equal to the aggregate of any consideration, payment, value cost, fee, expense or similar (including any VAT which is not recoverable, transfer taxes, or the cost of any withholding borne by, or on behalf, of the Company) incurred by the Company (or on behalf of the Company) in connection with such acquisition or other arrangement (the “**Expenses**”) shall reduce the Company EBITDA for the current and each remaining Step-In Period (the “**Relevant Step-In Periods**”) by deducting from the Company EBITDA of each Relevant Step-In Period an amount equal to the Expenses divided by the number of the Relevant Step-In Periods provided that:

- (i) the Board approves such acquisition; and

- (ii) the reduction from the Company EBITDA in the Relevant Step-In Period in respect of such acquisition is explicitly consented in writing by the Managing Director

before the completion of such acquisition.

In determining the Company EBITDA of each Relevant Step-In Period, no amount shall be double counted. For the avoidance of doubt, in the event that the Company fails to obtain the prior written consent of the Managing Director and the prior approval of the Board in accordance with this Clause, the Expenses amount shall not reduce the Company EBITDA.”

- (b) the addition of the following new sub-paragraph at the end of Schedule 9 Part 1 (*Step-In Consideration*):

“3 Without prejudice to Schedule 6, if during any of the Step-In Periods, the Company (or on behalf of the Company through the Purchaser or its affiliates) either enters into any arm’s length bona fide acquisition of any asset in respect of which any associated Intellectual Property Right is also acquired, business and/or security owned by a third party or agrees to make any payment, or otherwise provide value, to any third party to extinguish or discharge an existing fiscal or contractual obligation owed to such third party and relating to the operation of the business, an amount equal to the aggregate of any consideration, payment, value cost, fee, expense or similar (including any VAT which is not recoverable, transfer taxes, or the cost of any withholding borne by, or on behalf, of the Company) incurred by the Company (or on behalf of the Company) in connection with such acquisition or other arrangement (the “**Expenses**”) shall reduce the Company EBITDA for the current and each remaining Step-In Period (the “**Relevant Step-In Periods**”) by deducting from the Company EBITDA of each Relevant Step-In Period an amount equal to the Expenses divided by the number of the Relevant Step-In Periods

provided that:

- (i) the Board approves such acquisition; and
- (ii) the reduction from the Company EBITDA in the Relevant Step-In Period in respect of such acquisition is explicitly consented in writing by the Managing Director

before the completion of such acquisition.

In determining the Company EBITDA of each Relevant Step-In Period, no amount shall be double counted. For the avoidance of doubt, in the event that the Company fails to obtain the prior written consent of the Managing Director and the prior approval of the Board in accordance with this Clause, the Expenses amount shall not reduce the Company EBITDA.”

The amendment of the Agreement pursuant to this Amendment Agreement shall constitute a variation of the Agreement in accordance with Clause 25 (*Variations*) of the Agreement.

- 2.2 Save as amended in accordance with Clause 2.1 above, the remaining provisions of the Agreement shall remain unchanged, fully effective and in force.
- 2.3 With effect from the date hereof, any reference to the “Agreement” shall be read and construed as references to the Agreement as amended by this Amendment Agreement.
- 2.4 The following clauses from the Agreement shall apply *mutatis mutandis* to this Amendment Agreement: Clause 22 (*Further Assurance*), Clause 23 (*Entire Agreement*), Clause 24

(Severance and Validity), Clause 25 (Variations), Clause 28 (Third Party Rights), Clause 34 (Counterparts), Clause 35 (Governing Law and Jurisdiction) and Clause 36 (Agent for Service of Process).

This Amendment Agreement has been entered into by the Parties on the date first above written.

Schedule 1 The Sellers

Mehmet Can Yavuz

Deniz Başaran

Burak Vardal

Volkan Biçer

Mehmet Ayan

Yunus Emre Gönül

Schedule 1

Purchaser

Signed for and on behalf
of Zynga Inc.

/s/ Frank Gibeau
Frank Gibeau
Chief Executive Officer

/s/ James Gerard Griffin
James Gerard Griffin
Chief Financial Officer

Sellers

Signed by Mehmet Can Yavuz

/s/ Mehmet Can Yavuz
Mehmet Can Yavuz

Signed by Deniz Bařaran

/s/ Deniz Bařaran
Deniz Bařaran

Signed by Burak Vardal

/s/ Burak Vardal
Burak Vardal

Signed by Volkan Bicer

/s/ Volkan Bicer
Volkan Bicer

Signed by Mehmet Ayan

/s/ Mehmet Ayan
Mehmet Ayan

Signed by **Yunus Emre Gönül**

/s/ Yunus Emre Gönül
Yunus Emre Gönül

EMEA 128267307

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Zynga Closes Acquisition of Istanbul-Based Rollic, a Leader in the Fast-Growing Hyper-Casual Games Business

- Entry into One of the Largest and Fastest Growing Mobile Game Categories
- Expands and Diversifies Zynga's Advertising Business
- Adds a Highly Talented Team and Extensive Network of External Developers

SAN FRANCISCO -- October 2, 2020 -- Zynga Inc. (Nasdaq: ZNGA), a global leader in interactive entertainment, and Rollic, an Istanbul-based mobile games developer and publisher with an exciting portfolio of popular hyper-casual games that have been downloaded more than 365 million times, announced today that the companies have closed the transaction under which Zynga acquired 80% of Rollic for a total purchase price, including working capital adjustments, of approximately \$180 million in cash. Over the next three years, Zynga will acquire the remaining 20% in equal installments at valuations based on specific topline and profitability goals.

The Rollic acquisition marks Zynga's entrance into the fast-growing hyper-casual market and brings a highly talented team with a substantial network of external developers to Zynga. Rollic also meaningfully increases Zynga's audience while growing its advertising business. Rollic will continue to be led by founder and Chief Executive Officer Burak Vardal and its current management team. Additionally, the company plans to maintain its headquarters in Istanbul, Turkey.

"We're thrilled to welcome Rollic and its incredibly talented team, along with its extensive network of developers, to Zynga," said Frank Gibeau, Chief Executive Officer of Zynga. "Rollic brings Zynga into the world of hyper-casual, which is one of the most exciting and fastest growing mobile gaming categories. Rollic's large and diversified audience base will also be valuable for Zynga as the mobile games and advertising landscape continues to grow."

"We are memorably excited to be joining Zynga, a perfect home for Rollic's culture and core values," said Burak Vardal, founder and Chief Executive Officer of Rollic. "In this new chapter, Zynga and Rollic will bring together a massive production power filled with creativity, quality and

extremely talented teams. We're devoted to reflect the potential energy of this joining by creating the next generation of mobile gaming."

Founded in December 2018 by Burak Vardal, Deniz Basaran and Mehmet Can Yavuz, Rollic is a hyper-casual publisher and game developer based in Istanbul, Turkey. Eight of Rollic's games have reached #1 or #2 top free downloaded games in the U.S. App Store, and their latest releases, *Go Knots 3D* and *Tangle Master 3D*, were the top two most downloaded games in the U.S. App Store in Q2 2020.

The close of this acquisition is effective as of October 1, 2020. Zynga expects to update its full year 2020 guidance when reporting Q3 2020 financial results.

Editor's note:

Key art and assets available for use at the following link:

https://www.dropbox.com/sh/mpjq5uayxvavjfu/AAC06swtg_3lwFJAwNddRz4Ra?dl=0

About Zynga Inc.

Zynga is a global leader in interactive entertainment with a mission to connect the world through games. To date, more than one billion people have played Zynga's franchises including *CSR Racing*[™], *Empires & Puzzles*[™], *Merge Dragons!*[™], *Merge Magic!*[™], *Toon Blast*[™], *Toy Blast*[™], *Words With Friends*[™] and *Zynga Poker*[™]. Zynga's games are available in more than 150 countries and are playable across social platforms and mobile devices worldwide. Founded in 2007, the company is headquartered in San Francisco with locations in the U.S., Canada, the U.K., Ireland, India, Turkey and Finland. For more information, visit www.zynga.com or follow Zynga on [Twitter](#), [Instagram](#), [Facebook](#) or the [Zynga blog](#).

About Rollic

Founded in December 2018, Rollic is an Istanbul-based game developer and publisher, focused on free-to-play hyper-casual games for iOS and Android. Games released by Rollic include *Go Knots 3D*, *Flipper Dunk*, *Onnect – Pair Matching Puzzle*, *Pixel Shot 3D*, *Picker 3D*, *Repair Master 3D*, *Tangle Master 3D*, *Water Shooty* and *Wheel Smash*. Rollic is committed to producing massively appealing global titles while building a thriving developer ecosystem in the gaming industry. Rollic was acquired by Zynga, a global leader in interactive entertainment, in 2020. For more information, visit www.rollicgames.com or follow Rollic on [Facebook](#), [LinkedIn](#), [Instagram](#), [Twitter](#) or the [Rollic blog](#).

Forward-Looking Statements

This press release contains forward-looking statements, including those statements relating to, among other things: our ability to achieve the intended benefits of acquiring Rollic Oyun Yazılım ve Pazarlama Anonim Şirketi ("Rollic"), including expanding our global audience and advertising business, adding to our development pipeline and our overall growth; and our ability to achieve financial projections. Forward-looking statements often include words such as "outlook," "projected," "planned," "intends," "will," "anticipate," "believe," "target," "expect," and statements in the future tense are generally forward-looking. The achievement or success of the matters covered by such forward-looking statements involves significant risks, uncertainties, and assumptions, and our actual results could differ materially from those predicted or implied. Undue reliance should not be placed on such forward-looking statements, which are based on information available to us on the date hereof. We assume no obligation to update such statements. Factors that could cause actual results to differ include satisfaction of transaction closing conditions and our ability to timely close the transaction, effectively integrate Rollic, and achieve the expected benefits of the transaction. More information about these risks,

uncertainties, and assumptions and additional factors that could cause actual results to differ are or will be described in greater detail in our public filings with the Securities and Exchange Commission (the "SEC"), copies of which may be obtained by visiting our Investor Relations website at <http://investor.zynga.com> or the SEC's web site at www.sec.gov.

Contacts

Zynga Investor Relations:
Rebecca Lau
Investors@zynga.com

Zynga Press:
Sarah Ross
Sarah@zynga.com