A Letter from CEO Bobby Kotick Regarding Activision Blizzard's Merger With Microsoft

September 1, 2022

SANTA MONICA, Calif.--(BUSINESS WIRE)--Sep. 1, 2022-- Activision Blizzard, Inc. (Nasdaq: ATVI) CEO Bobby Kotick today sent the following letter to all employees.

September 1, 2022

Team,

I wanted to provide a brief update of our progress towards the completion of our merger with Microsoft. As we said from the outset, this is a long process. With the number of government approvals required, we still believe the deal is most likely to close in Microsoft's fiscal year ending June of next year. We are fortunate to have already received approvals from a couple of countries, and the process with all of the regulators is generally moving along as we expected.

This week we heard from the United Kingdom, where we have more employees than anywhere except North America. We have entered the second phase of our review there, and we will continue to fully cooperate with the regulators there, and everywhere approvals are required.

As our industry continues to see numerous companies investing aggressively in gaming, including many of the world's largest technology and media companies, government regulators are taking appropriate and deliberate steps to better understand our industry and the growing competition from around the world.

Beginning in September, I am going to initiate town halls to keep everyone informed of our continuing progress towards our future as part of one of the world's most admired companies.

We have a very exciting fall ahead of us with anticipation building for our new games. Thank you all for working so hard to continue to connect, engage, and entertain our players around the world.

With appreciation,

Bobby

Cautionary Note Regarding Forward-Looking Statements

The statements contained herein that are not historical facts are forward-looking statements including, but not limited to statements regarding the proposed transaction between Activision Blizzard, Inc. and Microsoft Corp. (such transaction, "the proposed transaction with Microsoft"), including any statements regarding the expected timetable for completing the proposed transaction with Microsoft, the ability to complete the proposed transaction with Microsoft, and the expected benefits of the proposed transaction with Microsoft. Activision Blizzard, Inc. generally uses words such as "outlook," "forecast," "will," "could," "should," "would," "to be," "plan," "aims," "believes," "may," "might," "expects," "intends," "seeks," "anticipates," "estimate," "future," "positioned," "potential," "project," "remain," "scheduled," "set to," "subject to," "upcoming," and the negative version of these words and other similar words and expressions to help identify forward-looking statements. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to: the risk that the proposed transaction with Microsoft may not be completed in a timely manner or at all, which may adversely affect our business and the price of our common stock; the failure to satisfy the conditions to the consummation of the proposed transaction with Microsoft, including the receipt of certain governmental and regulatory approvals; the occurrence of any event, change, or other circumstance that could give rise to the termination of the Agreement and Plan of Merger, dated as of January 18, 2022, by and among Activision Blizzard, Microsoft, and Anchorage Merger Sub Inc., a wholly owned subsidiary of Microsoft (the "Microsoft Merger Agreement"); the effect of the announcement or pendency of the proposed transaction with Microsoft on our business relationships, operating results, and business generally; risks that the proposed transaction with Microsoft disrupts our current plans and operations and potential difficulties in employee retention as a result of the proposed transaction with Microsoft; risks related to diverting management's attention from ongoing business operations; the outcome of any legal proceedings that have been or may be instituted against us related to the Microsoft Merger Agreement or the transactions contemplated thereby; and restrictions during the pendency of the proposed transaction with Microsoft that may impact our ability to pursue certain business opportunities or strategic transactions. The forward-looking statements contained herein are based on information available to Activision Blizzard, Inc. as of the date of this press release, and we assume no obligation to update any such forward-looking statements. Actual events or results may differ from those expressed in forward-looking statements. As such, you should not rely on forward-looking statements as predictions of future events. These statements are not guarantees of our future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and may cause actual results to differ materially from current expectations.

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Investors and Analysts:
ir@activisionblizzard.com
or
Press:

pr@activisionblizzard.com

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