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

November 8, 2022

SANTA MONICA, Calif.--(BUSINESS WIRE)--Nov. 8, 2022-- Activision Blizzard, Inc. (Nasdaq: ATVI) CEO Bobby Kotick today sent the following letter to all employees.

Team,

I wanted to take a moment out of our successful, busy launch season to provide an update on our progress towards the completion of our merger with Microsoft. With increased competition globally from companies with huge talent pools and resources, becoming part of a company with access to talent around the world will help us fill the thousands of open positions we will have over the next few years.

We have been, and will be, in fierce competition to attract and retain the talent we need to create content that will meet the demands of our growing audiences. Being a part of Microsoft will help us better realize our ambitions and satisfy the high standards of our audiences.

As we said when we announced our merger, this is a long process. We have already received approvals from countries including Brazil. After a close review of the transaction, the Brazilian authority arrived at the understanding that we operate in a highly dynamic and competitive industry, and that the merger will not harm competition in any way.

We continue to work cooperatively with regulators in other jurisdictions, and the process is moving along as we expected. Because so many large global companies across the world are now competing in the nearly $200 billion dollar games industry, it's understandable that regulators are trying to better understand the games business. This week the European Commission announced that we have entered the second phase of our review in the region. We will continue to cooperate with the European Commission where, in the countries they represent, we have many employees. We have been working closely with Microsoft to actively engage regulators in other key countries to answer their questions and provide them with information to assist with their review. People from across our business units and functions have been involved in this regulatory work, and I want to thank each of you for your tireless work and commitment to completing this merger, which we continue to expect to close in Microsoft's current fiscal year ending June 2023.

We remain excited about the great games we continue to release, the growth we expect greater industry investment from so many companies will generate, and completing the merger with Microsoft so we can better compete.

Thank you, for your passion, enthusiasm, and commitment to excellence.

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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