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

December 8, 2022

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

Team,

I wanted to provide a brief update on our pending merger with Microsoft. This week the U.S. Federal Trade Commission (FTC) announced its decision to challenge the deal. This means they will file a lawsuit to block the merger, and arguments will be heard by a judge.

This sounds alarming, so I want to reinforce my confidence that this deal will close. The allegation that this deal is anti-competitive doesn't align with the facts, and we believe we'll win this challenge.

Thanks to the hard work by all of you every day, we're on a strong path, bringing epic joy to players around the world with what I believe are the greatest games in the industry. At the same time, the competitive landscape is shifting, and, simply put, a combined Microsoft-ABK will be good for players, good for employees, good for competition and good for the industry. Our players want choice, and this gives them exactly that. You can read more about the specifics on those points in this update we recently shared with you.

We believe these arguments will win despite a regulatory environment focused on ideology and misconceptions about the tech industry.

Thank you for your dedication and creativity.

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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