

Instrument Information

**CUSIP: 594918BB9**

**Issuer: MICROSOFT CORPORATION**

This section details the Moody's ratings for CUSIP 594918BB9.

**Aaa** Senior Unsecured Rating  
as of 01/18/2022

Investment Grade	Non-Investment Grade
------------------	----------------------

Instrument Long-Term Debt Rating as of 01/18/2022  
*Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.*

Upgrade	Downgrade	Uncertain	Not on Watch
---------	-----------	-----------	--------------

Instrument Watch Status  
*Moody's uses Watch Status to indicate that a rating is under review for possible change in the short-term.*

**Corporate Bond Information**

Class	REG
Coupon	2.700
Maturity	12 Feb 2025
Rating Date	18 Jan 2022
Sale Date	09 Feb 2015
USD Face Value (in millions)	\$2250.000
Currency	USD
Debt has Support	N

**MICROSOFT CORPORATION MSFT**

<b>Aaa</b> Long Term Rating as of 18 Jan 2022 Not on Watch	<b>Stable</b> Moody's Rating Outlook as of 18 Jan 2022
---	--

**Moody's Opinion** as of 31-May-2024

**Summary**

Microsoft has substantial operating scale, very high business diversity, and leading market positions in its core businesses. The majority of its revenues are derived from products that benefit from secular tailwinds. We expect revenue growth of 14%, led by growth in Azure cloud services, and operating profit growth of about 13% in FY '25. We expect EBITDA margins of 54% (Moody's adjusted) and free cash flow (after dividends) of \$48 billion in FY '25, which include our assumption of continuing large increases in capital expenditures to support growth in cloud and Artificial Intelligence (AI) services. Microsoft's Remaining Performance Obligations (RPO) of \$242 billion provide very good revenue and cash flow visibility over the intermediate term. It has excellent liquidity with \$95 billion of cash and investments and its total debt to EBITDA was 0.9x (Moody's adjusted). The company is in a pole position to capitalize on market opportunities created by generative AI technologies and it has ample financial flexibility to make investments in growth opportunities across its portfolio. We expect the company to maintain its track record of highly conservative financial policies with a solid cash position, low financial leverage, and capital allocation largely consistent with its operating cash flow generation.

**Credit strengths**

- Substantial scale with leading market positions in key large businesses
- Strong portfolio mix of offerings with good growth characteristics and industry-leading profitability at scale
- High revenue diversity and a large installed base
- Robust liquidity and substantial financial flexibility

**Factors that could lead to a downgrade**

- A significant shift in financial policy or large, debt-financed that substantially weaken the credit profile on a sustained basis
- Operating challenges resulting in a sustained erosion in profitability and free cash flow generation

**Rating outlook**

The stable outlook reflects our expectations that Microsoft will maintain strong growth in operating profits and market positions in its core, profit-driving businesses. We expect approximately \$48 billion in free cash flow in FY '25 and the company to prioritize reducing commercial paper borrowings in the next 12 to 18 months.

**Factors that Could Lead to an Downgrade**

- Highly competitive markets
- Evolving technologies create risks and opportunities and require significant R&D and capital

MICROSOFT CORPORATION MSFT

Rating History

5 Year Rating History for 594918BB9

Aaa	Aaa			
Aa				
A				
Baa				
Ba				
B				
Caa				
Ca				
C				
D				
Moody's Rating Outlook				
Stable				
2020	2021	2022	2023	2024

Factors that Could Lead to an **Downgrade** *Continued from Page 1*

- investments
- Regulatory risks are high
  - History of large acquisitions

Detailed credit considerations

Substantial scale, very high business diversity, leading positions in core products, and in a pole position to capitalize on AI opportunities

Microsoft has a substantial breadth of offerings spanning cloud infrastructure services, operating system software for Personal Computers and servers, collaboration and productivity suites, enterprise applications, security products, a professional social network, and gaming products and services. The company has #1 or #2 market shares in multiple, large core markets, including operating system software, collaboration and productivity suites, public cloud infrastructure services, database management, and customer relationship management. Its customer base is spread over a range of industry sectors globally, including enterprise, small and medium sized business, and consumers. Microsoft can rapidly scale new products and services given its large installed base of commercial and consumer customers. Its large community of software developers for its various technology platforms enhance the value of its offerings.

Microsoft's substantial scale provides it capacity to make large investments (\$28 billion in R&D expenses and capital expenditures, including assets acquired through finance leases, of \$47 billion in LTM F3Q '24), and support a sales and distribution network comprising a large direct sales organization and an extensive network of partners. The company also benefits from a large installed base of users from which it derives revenues upon renewal of licenses and has opportunities to up-sell and cross-sell products and services into this base. Microsoft had 81 million subscribers of its Microsoft 365 bundled offerings and we estimate it has an installed base of about 410 million Office 365 commercial paid seats.

Microsoft is one of the best positioned enterprise software companies to capitalize on the opportunities created by the innovations in AI as a result of its prescient investments in OpenAI, its position as an exclusive provider of cloud services to OpenAI, and a broad portfolio that can leverage AI. Microsoft was one of the fastest to launch offerings infused with generative AI and we expect most of its products and services to integrate AI in the near term. AI-related revenues contributed 7 points of growth to revenues in the Azure and other cloud services category in F3Q '24, and we expect that contribution to steadily increase as more enterprises deploy AI, the usage of Azure OpenAI services increases, and inferencing workloads grow in volume. As of F3Q '24, 65% of Fortune 500 companies used Azure OpenAI services. We expect AI workloads to also attract non-AI storage and compute workloads to Azure. GitHub Copilot paid subscribers grew 30% and 35% quarter-over-quarter in F2Q '24 and F3Q '24, respectively, demonstrating strong adoption of AI-powered copilot by developers. AI-enabled Office 365 Copilot also represents a substantial revenue opportunity over time even as subscribers and revenue per user have significant room for growth.

The majority of the portfolio benefits from secular tailwinds and we expect robust profitability

A large majority of Microsoft's revenue is indexed to the secular growth drivers of the IT industry, including cloud computing, technologies that drive productivity and digital insights, and social networking platforms. We estimate the company's cybersecurity portfolio spanning endpoint, identity, email, and data protection, is now more than \$22 billion in revenues. Microsoft's annual revenue growth over the last five years has averaged 14%, despite its substantial scale. It was highly successful in executing its pivot to the cloud by making its software products available in the cloud, scaling its Azure infrastructure services, and integrating key acquisitions such as GitHub and LinkedIn. Microsoft Cloud revenues, which comprises revenues from Azure infrastructure and other cloud services, O365 commercial, the commercial portion of LinkedIn, Dynamics 365, and other cloud properties, will remain the principal driver of the company's long-term growth. Microsoft Cloud revenues have increased to 55% of the total company revenue in the LTM F3Q '24 period, up from 20% six years ago, and the growing profitability of this business has contributed to growth in Microsoft's operating profits.

# MICROSOFT CORPORATION MSFT

## Key indicators MICROSOFT CORPORATION

US Millions	Jun-20	Jun-21	Jun-22	Jun-23	LTM	(Mar-24)	Jun-25 [F]	Jun-26 [F]
Revenue	\$143,015	\$168,088	\$198,270	\$211,915		\$236,584	\$279,593	\$314,981
Free Cash Flow (FCF)	\$30,888	\$40,449	\$47,618	\$40,119		\$53,863	\$48,035	\$54,613
Operating Income ROA (net of Cash + Mkt Sec)	34%	39%	37%	33%		32%	31%	31%
Debt / EBITDA	1.4x	1.1x	0.9x	0.8x		0.9x	0.7x	0.7x
(EBITDA - CAPEX) / Interest Expense	18.6x	24.3x	32.3x	31.6x		27.1x	35.3x	42.3x
FCF / Debt	30%	42%	53%	45%		47%	43%	45%
(Cash + Mkt Sec) / Debt	138%	142%	124%	135%		83%	100%	90%

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments; [F] Moody's forecasts are Moody's opinion and do not represent the views of the issuer. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.

## Detailed credit considerations *Continued from Page 2*

Microsoft's constant currency revenue growth slowed sharply from 19% in FY '22, to 11% in FY '23, amid macroeconomic uncertainties and slowing demand for its cloud services. Moody's base case economic forecast is for G-20 economies to grow 2.4% in 2024 and 2.6% in 2025, down from 2.9% growth in 2023. We expect Microsoft's revenues to benefit from growing IT spending in relatively stable macroeconomic conditions over the next 12 to 18 months and increasing enterprise AI investments. We expect Microsoft's revenues to grow 14% in FY '25, led by growth in Microsoft Cloud revenues and a cyclical recovery in the PC and server markets that will benefit high-margin Windows OEM and Server revenues. We expect Azure revenues to grow 27% driven by growth in Azure consumption-based services and AI revenues.

In January 2023, Microsoft announced a restructuring which included workforce reductions of approximately 10,000 employees, changes to its hardware portfolio, and consolidation of leased office premises. Microsoft's EBITDA margins (Moody's adjusted) increased to 55.2% in the LTM F3Q '24 period, up from 50.8% in FY '23. We expect EBITDA margins to decline to 54.1% in FY '25, reflecting the growing mix of Azure revenues (which has lower gross margins), dilutive impact of Activision Blizzard acquisition, and growth in investments.

History of large acquisitions but robust financial profile and a strong track record of conservative financial policies

Microsoft's robust earnings growth provides substantial financial flexibility. The company's cumulative cash spending on acquisitions over the last five years was \$103 billion, which included cash used to finance the acquisitions of Zenimax, Nuance and Activision Blizzard. This amount does not include investments in OpenAI, which have not been disclosed. We believe that sharpened scrutiny by anti-trust agencies in the US and Europe of acquisitions made by the large technology companies could temper Microsoft's appetite for large acquisitions in the intermediate term.

Microsoft had \$95 billion of cash and investments at F3Q '24, down from \$114 billion a year ago, and over the same period, total reported debt increased to \$63 billion, from \$48 billion, primarily reflecting the financing of the Activision Blizzard acquisition with commercial paper borrowings. It generated \$49 billion in free cash flow (after dividends) in the LTM F3Q '24 period, and Moody's-adjusted total debt to EBITDA (see appendix for adjustments) was 0.9x at F3Q '24, unchanged from a year ago. We expect \$48 billion in free cash flow in FY '25. Capital expenditures in the YTD F3Q '24 period had increased by \$11.5 billion over the same period a year ago and we have assumed that capital expenditures will increase by \$16 billion and \$8 billion in FY '24 and FY '25, respectively, driven by investments in AI infrastructure.

The company had \$242 billion of RPOs at quarter ended March '24, of which it expects to recognize approximately 45% into revenues in the next 12 months. This large revenue backlog provide very high visibility into its revenues and operating cash flow in the intermediate term. Microsoft has maintained shareholder returns (dividends and share repurchases) at about 75% of its pre-dividend free cash flow over time. We expect the company to maintain a highly conservative financial policy with a robust cash position, low financial leverage, and capital allocation largely consistent with operating cash flow generation. Commercial paper borrowings were \$20.5 billion at F3Q '24 (down from \$25.8 billion at F1Q '24), and we expect these borrowings to decline sharply over the next 12 to 18 months.

Rapidly evolving technologies, strong competition, and regulatory challenges represent key business risks

Microsoft's end markets are characterized by rapidly evolving technologies and strong competition as well as competing technologies. Evolving technologies expand addressable markets but they also pose risks from new products and competitors, shifting customer preferences, and the need for sustained levels of high investments. Microsoft has not always been the first-mover into new segments and may initially have a product offering inferior to that of the market leader with respect to technology, ease-of-use, or product functionality. However, it has demonstrated the ability to leverage its product development capabilities and the network effects afforded from its large user and application development communities to take market share over time. The company's strong operating performance in Azure cloud infrastructure services, Office 365, and Dynamics 365 business applications evidences this. Its productivity suite has evolved and expanded significantly to include collaborative products (SharePoint, Teams, OneDrive, security and compliance) that help the company to increase revenue per user and migrate more users to its premium cloud offerings. Under its current leadership, the acquisitions of LinkedIn, GitHub, Nuance, and Activision Blizzard have expanded Microsoft's network of users and bolstered its cloud ecosystem.

# MICROSOFT CORPORATION MSFT

## Detailed credit considerations *Continued from Page 3*

Regulatory scrutiny of technology companies that operate technology platforms or have a large presence in digital commerce markets has increased significantly in recent years. Microsoft, as a result of its broad portfolio spanning the technology stack has high exposure to the allegations of antitrust and unfair competition. The European Commission has designated Windows and LinkedIn as designated gatekeepers or core platform services that are subject to certain obligations under the Digital Markets Act that ensure fair competition. The company had to adapt its business practices and agree to provide concessions or commitments to address regulatory concerns. In April 2024, Microsoft announced that it will unbundle the Teams product from Microsoft 365 and Office 365. A review by the US Cyber Safety Review Board in March 2024 of cybersecurity incidents that affected Microsoft Exchange in July 2023 and more generally of security controls and governance in cloud services, found that Microsoft's security culture was inadequate and it requires overhaul. In response to the findings and increasing severity of cyber threats, Microsoft announced a Secure Future Initiative which includes building security into the design of products and services, enabling security protections by default, and a commitment to continuously improve security controls and monitoring. To demonstrate its commitment, the company announced that a part of the compensation of its senior leadership will be based on progress toward security plans and milestones.

Microsoft's exceptionally strong financial profile, our expectations for conservative financial policies, and its track record of adapting to regulatory environment mitigate its high regulatory risks.

## Liquidity analysis

Microsoft has an exceptionally strong liquidity profile with \$95 billion of cash and investments at March 2024, and our projections of about \$48 billion of free cash flow (after dividends) over the next 12 months. The company had \$20.5 billion of commercial paper borrowings at March 2024, which increased in connection with the financing of the acquisition of Activision Blizzard. Microsoft terminated its \$5 billion committed revolving credit facility in 2018. We expect the company to reduce its commercial paper borrowings toward historical levels over the next 12 to 18 months. The lack of a committed backstop liquidity facility is unusual among U.S. non-financial corporate issuers. At quarter ended March 31, 2024, Microsoft's cash and investments included \$19.6 billion of cash and cash-equivalents and \$49 billion of US government securities. Share repurchases totaled \$18.7 billion in the LTM March 2024 period (including shares repurchased to settle employee tax withholding) and Microsoft had \$13.1 billion remaining under its \$60.0 billion share purchase program at quarter ended March 31, 2024.

## Profile

Microsoft is the world's largest software company. It has a broad portfolio of software, services and product offerings including Azure cloud infrastructure, suite of productivity applications (Office and Office 365), Windows operating system, business applications (Dynamics), database management software (SQL Server), professional social network (LinkedIn), internet services (Bing search and Edge browser), gaming (Xbox), and devices (Surface and HoloLens). Microsoft acquired Activision Blizzard, Inc. on October 13, 2023 in an all-cash transaction valued at \$75.4 billion, and Nuance Communications, Inc. for \$18.8 billion in March 2022. In January 2023, Microsoft announced the third phase of its partnership with OpenAI through a multibillion dollar investment, which followed previous investments in 2019 and 2021. The company's fiscal year ends on June 30.

# MICROSOFT CORPORATION MSFT

## Rating Definitions

### Long-Term Obligation Ratings

Moody's long-term obligation ratings are opinions of the relative credit risk of fixed-income obligations with an original maturity of one year or more. They address the possibility that a financial obligation will not be honored as promised. Such ratings reflect both the likelihood of default and any financial loss suffered in the event of default.

- Aaa** Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.
- Aa** Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.
- A** Obligations rated A are considered upper-medium grade and are subject to low credit risk.
- Baa** Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.
- Ba** Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk.
- B** Obligations rated B are considered speculative and are subject to high credit risk.
- Caa** Obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.
- Ca** Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
- C** Obligations rated C are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal or interest.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

### Rating Outlooks

A Moody's rating outlook is an opinion regarding the likely direction of a rating over the medium term. Where assigned, rating outlooks fall into the following four categories: Positive (POS), Negative (NEG), Stable (STA), and Developing (DEV -- contingent upon an event). In the few instances where an issuer has multiple outlooks of differing directions, an "(m)" modifier (indicating multiple, differing outlooks) will be displayed, and Moody's written research will describe any differences and provide the rationale for these differences. A RUR (Rating(s) Under Review) designation indicates that the issuer has one or more ratings under review for possible change, and thus overrides the outlook designation. When an outlook has not been assigned to an eligible entity, NOO (No Outlook) may be displayed.

### Watchlist

Moody's uses the Watchlist to indicate that a rating is under review for possible change in the short-term. A rating can be placed on review for possible upgrade (UPG), on review for possible downgrade (DNG), or more rarely with direction uncertain (UNC). A credit is removed from the Watchlist when the rating is upgraded, downgraded or confirmed.

### Provisional Ratings

As a service to the market and typically at the request of an issuer, Moody's will assign a provisional rating when it is highly likely that the rating will become final after all documents are received, or an obligation is issued into the market. A provisional rating is denoted by placing a (P) in front of the rating. Such ratings may also be assigned to shelf registrations under SEC rule 415.

# MICROSOFT CORPORATION MSFT

© 2024 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [www.moody's.com](http://www.moody's.com) under the heading "Investor Relations — Corporate Governance — Charter Documents - Director and Shareholder



# MICROSOFT CORPORATION MSFT

## Affiliation Policy:

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V, I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., and Moody's Local PA Clasificadora de Riesgo S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions (as defined in Moody's Investors Service Rating Symbols and Definitions): Please note that a Second Party Opinion ("SPO") is not a "credit rating". The issuance of SPOs is not a regulated activity in many jurisdictions, including Singapore. JAPAN: In Japan, development and provision of SPOs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.