

## Get The Facts: How Microsoft is Committed to Growing Gaming Communities

Microsoft's strategy for Call of Duty is consistent with our approach to integrating previous gaming franchises with broad pre-existing communities – continue to develop the acquired franchises, distribute content broadly, grow the community, and continue to sell and monetize across platforms. Multiplayer games thrive when player bases are active and growing.

- *“If we acquire a game that comes with a big community across a number of platforms, the last thing we want to do is take something away. If anything, we feel that it's our job to be caretakers...to continue to build and nurture that community, not to cut it up into pieces and try to take some of it away.”* - Matt Booty, Head of Xbox Game Studios (IGN, June 9, 2022)
- *“It makes zero business sense for Microsoft to remove Call of Duty from PlayStation given its market leading console position.”* - Frank Shaw, Microsoft Corporate Vice President of Communications (Wall Street Journal, September 23, 2022)

### **Our Commitments for ZeniMax**

Microsoft announced the acquisition of ZeniMax Media on September 21, 2020. Microsoft closed the acquisition of ZeniMax on March 9, 2021. ZeniMax included eight game development studios: Bethesda Game Studios, id Software, ZeniMax Online Studios, Arkane, MachineGames, Tango Gameworks, Alpha Dog (mobile games), and Roundhouse Studios.

Shortly after the acquisition was announced, *Bloomberg* reported the following on the availability of new ZeniMax Media games going forward:

- Bethesda had previously agreed to debut two of its upcoming games, *Deathloop* and *Ghostwire: Tokyo*, on Sony's new PlayStation rather than Xbox. Both games were announced as “timed console exclusives,” meaning that they would be restricted to the PlayStation 5 for a fixed period of time before coming to Xbox. *Microsoft will keep that commitment, Spencer said in an interview. Future games, like Starfield, will be available for Xbox, PC and Microsoft's Game Pass video-game service. “We'll take other consoles on a case-by-case basis,”* Spencer said. (Bloomberg, September 21, 2020)

Microsoft's acquisition of ZeniMax illustrates the company's consistent position on cross-platform play and our commitment to gamers on all platforms. Xbox has continued to ship ZeniMax content on PlayStation and other platforms, and games that were on PlayStation in March 2021 are still available today. Further, Xbox's first two ZeniMax releases were, in fact, exclusive to Sony PlayStation 5. For existing games, Microsoft's public commitments were realized.

- In its merger notice to the European Commission on ZeniMax, Microsoft stated: “Microsoft will honor all of ZeniMax's obligations to continue to make its current games available on other gaming hardware, including two planned console exclusive releases for the Sony PlayStation 5, *Deathloop* and *Ghostwire: Tokyo*.” (Microsoft ZeniMax Formal Merger Notification Filing to the European Commission (Form CO), January 29, 2021, at pp. 4-5)
  - It further stated: “Microsoft will not make any existing ZeniMax games exclusive to Xbox. They will continue to be available for purchase for PCs and other gaming hardware for which they are currently available, which will ensure that they continue to be available to current players of those games. Microsoft will not be removing players' access to any current games, no matter

where they currently play.” (Microsoft ZeniMax Formal Merger Notification Filing to the European Commission (Form CO), January 29, 2021, at p. 13)

- After closing of the acquisition, Microsoft honored ZeniMax’s commitment and the first two games released by Bethesda Game Studios – Deathloop (released September 14, 2021) and Ghostwire: Tokyo (released March 25, 2022) – were made available as timed console exclusives (one year) for Sony PlayStation. As a result, gamers on Xbox could not play Deathloop until September 20, 2022, when it could be made available for individual purchase and in Game Pass (one year after it launched on PlayStation 5). Ghostwire: Tokyo remains unavailable on Xbox per Sony’s restriction.

For future games, Microsoft also maintained its position:

- In its merger notice to the European Commission on ZeniMax, Microsoft stated: “Future decisions on whether to distribute ZeniMax games for other consoles will be made on a case-by-case basis, taking into account player demand and sentiment. Factors that will inform Microsoft’s decision-making on future games include consumer demand and preference and the willingness of third parties to work with Microsoft to launch games for their devices.” (Microsoft ZeniMax Formal Merger Notification Filing to the European Commission (Form CO), January 29, 2021, at p. 5)
  - It further stated: “For future ZeniMax games, Microsoft intends to make these games available for purchase on PC and, where the games are designed as native mobile games, on mobile devices running both iOS and Android. Future decisions on whether to distribute ZeniMax games for other consoles will be made on a case-by-case basis, taking into account player demand and sentiment, Microsoft’s strategic and financial goals, and the willingness of third-party gaming hardware providers to run Microsoft games and services. Microsoft will make all acquired games and future releases available to subscribers of its Game Pass service on the day the games are launched (which can be used to play on PCs, Xbox consoles and Android mobiles), but does not currently anticipate distributing them through other subscription services. This reflects Microsoft’s broader strategy to promote a subscription-based model which it believes will generate value and choice for game players. This policy would not preclude players from downloading or buying these games outside of Xbox Game Pass: Microsoft anticipates that existing games and future multi-platform games will be available for purchase from relevant digital storefronts of all major consoles and PCs.” (Microsoft ZeniMax Formal Merger Notification Filing to the European Commission (Form CO), January 29, 2021, at pp. 13-14)
- In an interview with *Bloomberg* in September 2020, Phil Spencer noted Microsoft’s position on distributing ZeniMax games for other consoles: “Clearly our commitment with this move is that Xbox and PC and people playing on xCloud and Game Pass will get ZeniMax’s games ... in terms of other platforms, I think we’ll make a decision on a case-by-case basis.”
- Again, consistent with its commitment, the company has not taken content away from existing gaming communities. Today, gamers can still play all of the ZeniMax games that were available on other platforms the day the ZeniMax deal closed. And Microsoft has continued to release new content for preexisting ZeniMax titles on other consoles, including *Fallout 76* and *The Elder Scrolls Online*.
- Microsoft announced that two upcoming titles, *Starfield* and *Redfall*, will only be released on Xbox and PC, in line with statements it made upon the close of the ZeniMax transaction. Specifically, when the deal closed in March 2021, Xbox noted: “With the addition of the Bethesda creative teams, gamers should know that Xbox consoles, PC, and Game Pass will be the best place to experience new Bethesda games,

including some new titles in the future that will be exclusive to Xbox and PC players.” (Xbox on Twitter, March 9, 2021).

- *Starfield* is a new game under development by Bethesda Game Studios. It will be available on the Xbox console and PC. *Starfield*, however, is yet to be released; Xbox has announced that it will be coming in 2023. It is a single-player game. It has no pre-existing sales, revenue, or community of gamers on any console, much less PlayStation, that would be impacted by an exclusivity decision.
- *Redfall* is a new game under development by Arkane Studios Austin. It will be available on the Xbox console and PC. *Redfall*, however, is yet to be released; Xbox has announced that it will be available in 2023. It is a single-player game with multi-player capabilities. It has no pre-existing sales, revenue, or community of gamers on any console, much less PlayStation, that would be impacted by an exclusivity decision.

### ***Our Commitments for Call of Duty***

We want to build gaming communities around games. It makes playing more fun and we are supportive of established user communities, such the vibrant Call of Duty community, which is playable across platforms, including the leading console. Our focus continues to be on delivering the best for the gamer, and we have publicly committed to making Activision content, such as Call of Duty, available on Sony’s PlayStation. This is consistent with our approach to ZeniMax.

- *“We have committed to Sony that we will also make them available on PlayStation beyond the existing agreement and into the future so that Sony fans can continue to enjoy the games they love.” - Brad Smith, President & Vice Chair (Microsoft on the Issues Blog; February 9, 2022)*
- *“Had good calls this week with leaders at Sony. I confirmed our intent to honor all existing agreements upon acquisition of Activision Blizzard and our desire to keep Call of Duty on PlayStation. Sony is an important part of our industry, and we value our relationship.” - Phil Spencer, CEO of Xbox (Twitter; January 20, 2022)*
- *“Microsoft is committing to keeping Call of Duty on PlayStation for “several more years” beyond the existing marketing deal Sony has with Activision. Microsoft Gaming CEO and Xbox chief Phil Spencer made the commitment in a written letter to PlayStation head Jim Ryan.” - Phil Spencer, CEO of Xbox (The Verge; September 2, 2022)*