

**EXHIBIT**

**B**



Trending: Workday buys Trusted Key in first exit for Seattle's Kernel Labs, and a proof point for startup studios

# Microsoft acquires four game studios, including Forza maker Playground Games, and creates 'The Initiative'

BY TAYLOR SOPER on June 10, 2018 at 1:57 pm

Post a Comment | Share | Tweet | Share | Reddit | Email



Microsoft gaming chief Phil Spencer speaks at E3 during the company's keynote. (YouTube screenshot)

Microsoft announced four new acquisitions and the creation of a new studio during the company's keynote at E3, bolstering its continued investment in gaming technology and commitment to creating first-party titles.

Microsoft's internal game development arm, Microsoft Studios, has swooped up four other studios, including Playground Games, developer of the Forza Horizon series.

Microsoft has letters of intent to acquire three other studios:

- Seattle-based **Undead Labs**, maker of State of Decay
- **Ninja Theory**, maker of Hellblade
- **Compulsion Games**, maker of We Happy Few

**LARRY HRYB** @majornelson

At #XboxE3 @XboxP3 has just announced that the expansion of the Microsoft first party family

2,824 1:42 PM - Jun 10, 2018 · Los Angeles, CA

821 people are talking about this

Microsoft also announced a new first party AAA studio called **The Initiative** that will be led by **Darrell Gallagher**, formerly head of Crystal Dynamics, and based in Santa Monica, Calif.

"The foundation we have in place for The Initiative is unique in many ways," Gallagher, who was previously an executive at Activision, said in a [blog post](#). "We've been given the freedom to explore, try new things and operate like an independent studio, with the backing from one of the biggest companies in the world to do something bold and different. The industry is headed in an exciting direction, and we see an opportunity to create amazing new game experiences of the future."

Phil Spencer, Microsoft's head of gaming who joined the company's senior leadership team in September, said on Sunday that "we are committed to building an industry-leading first party studios organization."

"We are making one of our greatest single-year investments in teams by adding five

Sounders Day: 9/18 Get tickets now!

**CONNECTIONS HAPPEN & MEMORIES ARE MADE**

A limited number of homesites remain in Suncadia's new enclave.

EXPLORE HOMESITES **RIVER RIDGE**

### GeekWire Newsletters

Subscribe to GeekWire's free newsletters to catch every headline

Enter your email address

### Send Us a Tip

Have a scoop that you'd like GeekWire to cover? Let us know.

**Best Internet in America.**

**xfinity**

SPEEDTEST by OOKLA  
AMERICA'S BEST INTERNET

### GeekWire Events

[See More](#)

**GeekWire SUMMIT** Oct. 7-9 | Seattle  
Bank of America

**GeekWire SOUNDERS DAY** September 18  
Qualtrics

new creative studios," he added.

The acquisitions follow Microsoft's new push to develop more of its own games after facing criticism for lack of first-party titles in years past, particularly compared to rival Sony Playstation.

**Sarah E. Needleman** @saraheneedleman

SMSFT is significantly expanding its lineup of videogame content this year, a strategy aimed at squeezing more revenue out of its existing user base. As of March 31, its Xbox One had a global install base of 39.1M units; Sony's PlayStation 4 had 76.6M, according to IHS. #E32018

10 1:57 PM - Jun 10, 2018

See Sarah E. Needleman's other Tweets

**Alanah Pearce @SDCC** @Charalanahzard

Microsoft started a new studio, bought Undead Labs, PlayGround Games, and NINJA THEORY!?! That's the realest commitment to first-party exclusives we've seen from them in a long time. #XboxE3

2,188 1:41 PM - Jun 10, 2018

448 people are talking about this

They also show how gaming continues to be an important pillar of Microsoft's business. In a company-wide memo sent last year, Microsoft CEO Satya Nadella outlined five core customer solution areas that he wants employees to prioritize. They include modern workplace; business applications; applications and infrastructure; data and AI; and gaming.

"We have committed our team, our company, and our technical resources so we can declare to you today, and next year, and all of the years after that: you will always experience the best in gaming on Xbox," Spencer said on Sunday.

Polygon noted that Microsoft has a "checkered history of acquiring developers."

"While the 2014 acquisition of *Minecraft*-developer Mojang was a coup for the company, previous developer acquisitions — from FASA to Ensemble, Twisted Pixel to Lionhead — have not been as successful," it reported.

Microsoft on Sunday also teased a new version of Halo called 'Halo Infinite.' You can watch the keynote here.



**Taylor Soper** is GeekWire's managing editor, responsible for coordinating the newsroom, planning coverage, and editing stories. A native of Portland, Ore., and graduate of the University of Washington, he was previously a GeekWire staff reporter, covering beats including startups and sports technology. Follow him @taylor\_soper and email taylor@geekwire.com.

- Post a Comment
- Share
- Tweet
- Share
- Reddit
- Email

**Previous Story**  
Master Chief returns: Microsoft reveals 'Halo Infinite' for Xbox and PC during E3 keynote

**Next Story**  
Microsoft reveals it's working on new Xbox consoles, doubling down on game hardware

Filed Under: Games Tagged With: microsoft studios

### Related Stories



**Microsoft's game streaming service Mixer reaches 20M users, doubling in six months**



**Geared Up Podcast: The best games from E3**



**Microsoft reveals it's working on new Xbox consoles, doubling down on game hardware**



**Microsoft Studios becomes Xbox Game Studios, reflecting gaming brand's evolution beyond the console**

### Comments

Comments for this thread are now closed

This discussion has been closed.

Subscribe Disqus' Privacy Policy

Most Popular on GeekWire



Exclusive: Archaeologists confirm contested tale of the Crusades, 920 years after battle



BMW ReachNow car-sharing service shuts down in Seattle and Portland following joint venture deal



From Prime location atop The Spheres in Seattle, Jeff Bezos thanks Amazon shoppers and workers



Shareholders sue to block Salesforce's acquisition of Tableau, alleging companies didn't disclose key information

Job Listings on GeekWork



Associate Technical Videographer  
Rad Power Bikes



Sr. Key Account Manager  
New Hampshire Ball Bearings



Marketing Technologist  
Memorial Healthcare System



Computer Science Instructor  
Renton Technical College



Data Architect  
Lumedix



Director, Product Management - SAFR  
RealNetworks

Find more jobs on GeekWork. Employers, post a job here.

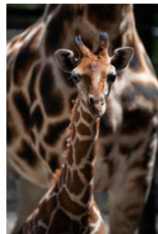
A Word From Our Sponsors



Imagine summer in the Pacific Northwest Now, what can you imagine?



Why Cyber Resiliency Is More Important Than Data Security Read More



Giraffes Wear Shoes? Innovative Partnerships are Shaping the Future of Animal Care Read More



A Brand-forward Workspace Should be a Part of Your Growth Strategy Read More



An invitation to a more radiant life together. Explore River Ridge

Galactic Sponsors



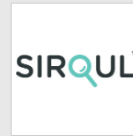
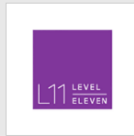
Platinum Sponsors



Gold Sponsors



## Silver Sponsors



## About

- [About GeekWire](#)
- [Contact Us](#)
- [Ask About Advertising](#)
- [Send Us a Tip](#)
- [Apply for Startup Spotlight](#)
- [Apply for Geek of the Week](#)
- [Become a GeekWire Member](#)
- [Join Our Startup List](#)
- [Reprints and Permissions](#)

[↑ Return to Top of Page](#)

## Follow



## GeekWire Newsletters

Catch every headline in your inbox

[Privacy Policy](#) | [Terms of Use](#)

## GeekWire Apps

- [iOS](#)
- [Android](#)
- [Apple News](#)
- [Google Play Newsstand](#)

## GeekWire Developer Blog

© 2011-2019 GeekWire, LLC



## Welcome to Xbox Game Studios

Our 15 game development studios focus on delivering great games for everyone, wherever they play—on console, PC, or mobile devices. We're responsible for developing and publishing some of the biggest game franchises in history: Age of Empires, Forza, Gears of War, Halo, Minecraft, Microsoft Solitaire, Microsoft Flight Simulator, State of Decay, and many more. We believe that play is the thing that unites everyone, because when everyone plays, we all win.

