MTG-owned Kongregate expands blockchain capabilities through production studio acquisition

STOCKHOLM — Modern Times Group MTG AB (publ) ("MTG") today announced that its blockchain-focused portfolio company Kongregate is expanding through the acquisition of Chilean development studio Gamaga. The deal internalizes the close working relationship between the two companies, as Gamaga has been supporting Kongregate in various blockchain gaming initiatives since 2021. The acquisition values Gamaga at between USD$ 5 and 7 million.

Gamaga is a work-for-hire mobile gaming developer based in Santiago, Chile, with a team of approximately 40 people. They have an experienced development team and have worked with established brands like Sony, Div3rsion and iEntertainment Network on multiple successful games.

The studio also owns the source code for two game engines that have been used to power hit games that have generated over 200 million downloads during their lifetime. One of Gamaga's latest games the studio has worked on has been Cobra Kai, a mobile card game based on the hit Netflix tv series. The studio's primary expertise is in game production and artwork, focused on 2D and pixel graphics.

The acquisition enables Kongregate to build on an already well-established close relationship with a partner in the NFT and blockchain gaming space and accelerate its strategy as an NFT gaming pioneer. The deal will also result in positive cost synergies for Gamaga, as the teams are already collaborating closely on a day-to-day basis, with Kongregate using a majority of Gamaga's capacity. Going forward, Kongregate will use 100% of the acquired developer capacity to drive its blockchain-related projects.

Markus Lipp, CEO of Kongregate, commented:

"Gamaga is a key partner on our journey to bring players new and innovative gaming experiences built around blockchain and NFT technology. The transaction will enable us to continue executing on our NFT strategy and move faster towards our vision of creating an integrated gaming experience that enables players to become owners in their gaming journey. It's my pleasure to welcome all of Gamaga's talented team to our gaming village. I look forward to continue our close work to position Kongregate as a pioneer in NFT gaming."

The transaction is expected to be completed in July 2022, after which Gamaga will be integrated into Kongregate.

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About MTG

MTG (Modern Times Group MTG AB (publ.)) (www.mtg.com) is an international mobile gaming group that owns and operates gaming studios with popular global IPs across a wide range of casual and mid-core genres. The group is focused on accelerating portfolio company growth and supporting founders and entrepreneurs. MTG is an active driver of gaming industry consolidation and a strategic acquirer of gaming companies around the world. We are born in Sweden but have an international culture and global footprint. Our shares are listed on Nasdaq Stockholm ('MTGA' and 'MTGB').