

STILLFRONT GROUP

Press Release
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Stillfront Group evaluates potential closure of its subsidiary's operations in Bangladesh

Stillfront's subsidiary in India, Moonfrog Labs, which was acquired in February 2021, has business operations in Bangladesh through a company called Ulka Games. Ulka Games publishes localized adaptations of Moonfrog Labs' games, primarily the game Teen Patti Gold.

Recently, Bangladeshi authorities have carried out a series of restrictive measures targeting different forms of online gaming activities. Currently the law enforcement agencies of Bangladesh are considering the use of virtual chips in online gaming as an act of illegal online gambling though no regulation in this regard has yet entered into force.

As part of the above-described measures taken by the Bangladeshi authorities, Stillfront was as per this week informed that a formal investigation relating to alleged online gambling activities has been initiated by the Bangladeshi authorities against some of the members of the management and representatives of Ulka Games, and certain officials of Ulka Games' shareholders, including Stillfront.

As of now, no formal charges have been filed. Stillfront and its subsidiaries monitor the process closely together with local legal advisors. Ulka Games holds a formal license from the Bangladeshi authorities to offer the game Teen Patti Gold within the country. Further, none of the games provided by Ulka Games in Bangladesh allow for real money to be transferred out of the game.

Due to the measures now taken by Bangladeshi authorities including the new interpretation of what constitutes online gaming as opposed to online gambling under the laws of Bangladesh, Stillfront finds it unviable to conduct online gaming business in Bangladesh under these circumstances. Through its subsidiary Moonfrog Labs, Stillfront has therefore decided to evaluate a potential process to close Moonfrog Labs' operations in Bangladesh.

The financial impact of a potential discontinuation of the operations in Bangladesh is non-material for the group. For the first nine months of 2022, Ulka Games generated approximately 1 percent of Stillfront Group's total net revenues and 2 percent of the group's total EBITDA.

Moonfrog Labs has shown solid growth since becoming part of Stillfront and a potential decision to close its operations in Bangladesh would have no impact on Moonfrog Labs' business outside of Bangladesh.

About Stillfront

Stillfront is a global games company founded in 2010. We develop digital games for a diverse gaming audience and our broad games portfolio is enjoyed by almost 70 million people every month. Stillfront is focused on realizing synergies by connecting and empowering game teams globally through our Stillops platform. We are a fast-growing company and an active global strategic acquirer. Our 1,500+ professionals thrive in an organization that embodies the spirit of entrepreneurship. Stillfront shares (SF) are listed on Nasdaq Stockholm Large Cap. For further information, please visit: stillfront.com

Attachments

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