

## **Company Announcement**

The following is a company announcement issued by Klikk Finance plc (the 'Company') pursuant to Prospects MTF Rule 4.11.13.

Reference is made to the company announcement issued by the Company on the 30 March 2022 (ref: KLF34) in which the Board of Directors of the Company announced that it was scheduled to meet on the 8 April 2022 to:

1. consider and, if deemed appropriate, approve the Company's audited financial statements for the financial year ended 31 December 2021, and
2. consider the declaration of a final dividend to be recommended to the Company's annual general meeting.

The Board of Directors of the Company approved the Annual Report and Financial Statements for the financial year ended 31 December 2021 and resolved that these be submitted for the approval of the shareholders at the forthcoming Annual General Meeting to be held on the 26 April 2022 for the purposes of considering inter alia the following matters:

- a. to consider and approve the Company's annual accounts and reports of the Directors and Auditors for the year ended 31 December 2021,
- b. to reappoint CA Falzon as auditors of the Company until the conclusion of the next general meeting at which annual accounts are laid, at the remuneration agreed by the Board of Directors, and
- c. to maintain the Directors' current remuneration for the holding of their office.

The Board of Directors did not recommend the payment of a final dividend. The Board of Directors has also authorised the publication of the Annual Report and Financial Statements for the financial year ended 31 December 2021 which is available for viewing on the Company's website at: [https://www.klikk.com.mt/investor relation](https://www.klikk.com.mt/investor%20relation).

Furthermore, the Board of Directors note that a material variance resulted between 2021 projections that were published via company announcement KLF30 on 28 April 2021, and actual results registered for the financial year ending 31 December 2021. The projections had a profit after tax of €104k for the year ending 31 December 2021, however, the Klikk Group (the Company, Klikk Limited and Klikk Code Limited) generated a loss after tax of €103k during these twelve months.

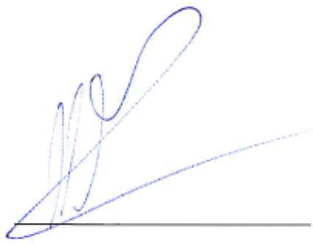
2021 was another challenging year given that operations continued to be impacted by the COVID-19 pandemic, combined with global supply chain challenges which have affected the industry and impacted product availability. This led to shortages of high demand products as well as the market experiencing a shift in customer spending behaviours. As a result, the Group generated revenue of €7.5 million, which is €1.4 million lower than the projected sales of €8.9 million.

On an operational level, the various measures introduced by Government in 2020 were also enforced during 2021, in an effort to curb the COVID-19 pandemic, including closure of stores during the second quarter of the year, social distancing, quarantine measures, and schools providing lessons online rather than inclassroom. As the measures introduced by Government also led to a shortage of labour during parts of the year as operations were interrupted due to several staff having to quarantine, the Group achieved a gross profit margin of 14.4%. Whilst this

is lower than the projected gross profit of margin of 16.3%, this is in line with the gross profit margin achieved by the Group for the financial year ending 31 December 2020.

During the year, the Group's selling and administrative expenses totalled €821k, which is €135k lower than the projected selling and administrative expenses of €956k. Despite this, the Group's generated an EBITDA margin of 4.1%, which is lower than the projected EBITDA margin of 5.6%. Consequently, this negative variance in the Klikk Group's Income Statement for FY2021 is mainly driven by low gross profit margins.

Management shall continue monitoring the revenue and gross profit margins of the Group in order to return the Group to breakeven and eventual profitability.



Mikiel Calleja  
Company Secretary

8<sup>th</sup> April, 2022