

## 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 27 March 2023 (ref: KLF43) in which the Board of Directors of the Company announced that it was scheduled to meet on the 10 April 2023 to:

1. consider and, if deemed appropriate, approve the Company's audited financial statements for the financial year ended 31 December 2022, 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 2022 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 2023 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 2022,
- b. to reappoint HLB 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,
- c. to appoint/re-elect Directors in place of those retiring, and
- d. to establish the maximum aggregate remuneration to be paid to the Directors.

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 2022 which is available for viewing on the Company's website at: <https://www.klikk.com.mt/investor-relation>.

Furthermore, the Board of Directors note that a material variance resulted between 2022 projections that were published via company announcement KLF38 on 26 April 2021, and actual results registered for the financial year ending 31 December 2022. The projections had a profit after tax of €8k 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 €130k during these twelve months.

During 2022 the retail industry faced numerous challenges. Businesses struggled to regain momentum and attract customers and faced a number of operational and customer behavioural challenges. These included staff shortages due to several staff having to quarantine particularly in January and February, disruption brought about by the general election in March and an overall surging inflationary environment. There was also a shift in customer spending behaviours, as customers visited the stores to purchase products rather than order them online. As a result, the Group generated revenue of €7.0 million, which is €1.1 million lower than the projected sales of €8.1 million.

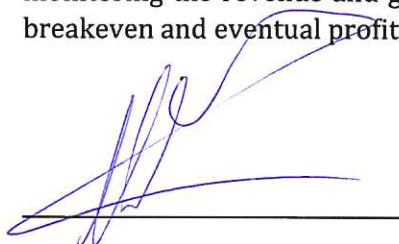
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On an operational level, despite the soaring inflation the Klikk Group achieved a gross profit margin of 14.6% which was in line with the gross profit margin achieved by the group for the financial year ended 31 December 2021. However, this was lower than the projected gross profit of margin of 16.0%. During the year, the Group's selling and administrative expenses totalled €825k, which is slightly lower than the €898k projected selling and administrative expenses. Despite this, the Group's generated an EBITDA margin of 3.2%, which is lower than the projected EBITDA margin of 4.9%. Consequently, this negative variance in the Klikk Group's Income Statement for FY2022 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

11 April 2023