

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 2021 (Ref: CAKLLK28) in which the Board of Directors of the Company announced that it was scheduled to meet on the 06 April 2021:

1. to consider and, if deemed appropriate, approve the Company’s audited financial statements for the financial year ended 31 December 2020; and
2. to 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 2020 and resolved that these be submitted for the approval of the shareholders at the forthcoming Annual General Meeting to be held by conference call on the 28 April 2021 for the purposes of considering inter alia the following matters:

- a. to consider and approve the Company’s annual accounts and the reports of the Directors and Auditors for the year ended 31 December 2020;
- b. to appoint/elect Directors in place of those retiring;
- c. 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
- d. 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 2020 which is available for viewing on the Company’s website at <https://www.klikk.com.mt/investor-relations>

Furthermore, the Board of Directors note that a material variance resulted between 2020 projections that were published via company announcement KLF20 18 December 2019, and actual results registered for the financial year ending 31 December 2020. The projections had a profit after tax of €75k for the year ending 31 December 2020, however, the Klikk Group (the Company, Klikk Limited and Klikk Code Limited) generated a loss after tax of €12k during these twelve months.

2020 was a challenging year given that operations were impacted by the COVID-19 pandemic which has disrupted business, but has also fundamentally altered the way, as well as the place from which, business is conducted. Despite this, the Group exceeded its projected revenue figure by over €500k (FY2020: €8.3 million; projections: €7.8 million) since more customers purchased IT equipment to be able to work or learn from home. Notwithstanding the increase in revenue, the introduction of the COVID-19 measures came with its own challenges, including closure of retail outlets, quarantine of staff, and orders shifting online. In addition, there were disruptions in supply chains due to the Brexit transition. Whilst staff responded extremely well to these challenges, this has impacted profit margins and in fact, gross profit margin stood at 14.5% during FY2020, compared to 17.7% as per projections. As a result, the Group

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recorded actual gross profit of €1.2 million during FY2020, in comparison to €1.4 million as per projections. Consequently, this negative variance in the Klikk Group's Income Statement for FY2020 is mainly driven by lower 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.

Lastly, the board of directors approved the Company's Treasury Management Policy which is available for viewing at <https://www.klikk.com.mt/investor-relations>

Mikiel Calleja

Company Secretary

06 April 2021

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