

ANCHOVY / 9H

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Company Announcement

The following is a company announcement issued by ANCHOVY STUDIOS p.l.c. (the Company) pursuant to Rule 4.11.13 of the Prospects Rules.

Reference is made to the company announcement issued by the Company on the 19 April 2023 (ANC-66) in which the Board of Directors of the Company announced that it was scheduled to meet on the 27 April 2023:

1. to consider and, if deemed appropriate, approve the Company's audited Annual Financial Statements for the financial year ended 31 December 2022; 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 2022 and resolved that these be submitted for the approval of the shareholders at the Annual General Meeting.

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://anchovyinc.com/>

The Company announces that its Annual General Meeting was held on the 27 April 2023 at which:

1. The financial statements for the year ended 31 December 2022 were approved;
2. The Statutory Directors' Report on the Financial Statements for the year ended 31 December 2022 were approved;
3. The Auditors' Report on the Financial Statements for the year ended 31 December 2022 was approved;
4. Mazars were re-appointed as the Company's auditors until the conclusion of the next general meeting;
5. The current directors were re-appointed up to the next Annual General Meeting in accordance with the Company's Articles of Association;

The Board of Directors note that the profit before tax for the financial statements of Anchovy Studios plc for the year ended 31 December 2022 totalled €63k. This represents a material adverse variance of circa €122k from the 2022 projections that were published in the Financial Sustainability Forecast issued on 28 April 2022 by way of company announcement ANC62, given that the projections had forecasted a profit before tax of €185k.

During 2022, the Company generated revenue and other income of €2.1 million, which is higher than the forecasted revenue of €1.8 million. The growth in revenue was supported by growth strategies of the

Company in Dubai and Saudi Arabia, which led to a significant amount of funds in hiring employees in these regions. As a result, the Company incurred higher personnel expenses of €728k when compared to projections of €583k. In addition, the Company also incurred higher operating expenses, particularly media buying, software and platform expenses, totalling €1.2 million when compared to forecasted expenses of €912k. This led to a decrease in EBITDA and profit before tax. In addition, the merger process of shareholding of the Company with NIU Limited involved some material one-off expenses such as legal and professional fees, which were higher than initially forecasted.

Despite this material variance the Company is excited about the growth opportunities and in 2023 will intensify its efforts and investment to onboard more business from markets outside the Maltese territory.

S. Caruana

Ms Sara Caruana
Company Secretary
28th April 2023

For more information on ANCHOVY STUDIOS p.l.c. please visit <https://anchovyinc.com/investors/>