

SDL Interim Result Update

17 December 2020

Solution Dynamics (SDL or Company) advises that it expects to report first half FY2021 net profit after tax of around \$1.4 million.

SDL's New Zealand business continues to suffer the industry-wide pressure of declining physical volumes, partially offset by modest new business gains. The Company's international Software & Technology platforms are continuing to expand, particularly in North America. Activity levels at SDL's UK customers remains well down on the prior year although is around budget. Additional costs are currently being incurred as SDL is increasing its investment globally in both in sales channel development and customer support infrastructure (including developers and DevOps) to maintain growth momentum and deliver expanded software functionality requirements that clients are requesting.

SDL reiterates its prior guidance of full year FY2021 net profit after tax in the range of \$2.0 to \$2.5 million. Significant volatility around this range is possible and the key causes (including global health and macroeconomic outlooks) are clearly beyond the Company's control.

The Company expects to report its interim result around 25 February 2021.

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