

FY2023 Guidance and Major Customer Update**17 July 2023**

Solution Dynamics Limited's (SDL or Company) prior FY2023 earnings guidance was for net profit after tax of around \$3.0 million. Trading in June was stronger than expected from a combination of positive performance from NZ operations and some pull forward of international revenue.

The Company now expects FY2023 net profit to be around \$3.4 million, based on provisional, unaudited management figures, and therefore subject to any adjustments that may be required in finalising accounts. The Company finished FY2023 with a closing cash balance of \$6.6 million. SDL expects to report its FY2023 full year result on 24 August.

SDL also advises that its largest customer has indicated it intends to shortly issue a request for proposal (RFP) tender for the communications programmes that SDL supplies.

SDL notes this is not related to any service quality issue, in fact the customer advises it is very satisfied with SDL's service quality and operational flexibility, which has helped the customer save several million dollars in costs to date, in what are technically complex, global communications programmes. The RFP is part of the customer's regular review and tendering of its major contracts.

SDL advises that this customer provides a very material contribution to the Company's financial results.

A further update will be provided when the RFP tender is received.

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