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## FY2018 Trading Update

Solution Dynamics Limited's ("SDL" or "Company") operating performance is in line with previously announced guidance for net profit after tax growth of about 20% for FY2018. Digital imaging revenue is modestly behind budget. Software & Technology is currently ahead of expectations as a result of both UK and European new business and buoyant existing client activity. Several Software transactions are in the late stages of closing and the timing of these could cause the final FY2018 result to vary from current guidance.

SDL's two recent acquisitions will have a combined very modest drag to FY2018 profitability with a small operating contribution from Scantech (prior to any amortisation of customer contract intangibles) more than offset by DigitalToPrint ("DTP") losses.

The Company has incurred acquisition costs (legal, consulting, due diligence) for Scantech and DTP and these will be expensed as required by accounting rules. These costs will be disclosed as a separate line item in the SDL's results and the Company also notes they are not tax deductible. The effect of these costs is that they will roughly halve SDL's expected reported growth rate in profit for FY2018 and the Company now advises that its growth in net profit after tax is likely to be around 10%.

As the acquisition costs are one-off in nature, the Directors intend to disregard them for the purposes of setting the final FY2018 dividend payout.

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*The basic building block of good communication is the feeling that every human is unique and of value.*

