

Inside information, profit warning: Solteq Plc changes its operating logic, discontinues product development cost activations, and writes off approximately EUR 6.3 million

Stock Exchange Bulletin
Inside information
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Solteq Plc has changed its product development practices during the current financial year. Own software product development has become an integral part of continuous services and standard operations. Based on an assessment carried out by the company, the costs related to the product development no longer meet the requirements for activating them. In the future, the company will treat the expenses of developing existing software products as costs in the income statement as part of normal business operations.

The company has also assessed the activated product development investments on the balance sheet and their expected returns. Based on the assessment, the company writes off product development investments made, resulting in a one-time negative impact of approximately EUR 6.3 million on the company's operating result for 2023. The write-off has no cash flow impact.

As a result of the write-off, the company updates its profit guidance for 2023: Solteq's revenue is expected to be EUR 57–59 million and operating result to be negative, excluding the one-time profit recognition of EUR 8 million on the sale of the Group's ERP business based on Microsoft BC and LS Retail solutions and the one-time EUR 6.3 million product development investment write-off.

The previous profit guidance for 2023 was: Solteq's revenue is expected to be EUR 57–59 million and operating result to be negative, excluding the one-time profit recognition of EUR 8 million on the sale of the Group's ERP business based on Microsoft BC and LS Retail solutions.

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Further information

CEO Aarne Aktan
Tel: +358 40 342 4440
Email: aarne.aktan@solteq.com

Solteq in brief

Solteq is a Nordic software solution and expert service provider specializing in retail and energy sectors and needs related to e-commerce. The company employs over 500 professionals and has offices in Finland, Sweden, Norway,

Denmark, Poland, and the UK.