

Inside Information: Solteq Plc updates its long-term financial targets

Stock Exchange Bulletin

Other information disclosed according to the rules of the Exchange

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Solteq Plc's Board of Directors has approved the company's segment-specific long-term financial targets, which are based on the updated strategy and segment structure. The financial targets, revenue and cost structures, and product development needs differ between the two segments. Software solutions and expert services are offered for the retail industry and needs related to e-commerce by the Retail & Commerce segment and for the needs of the energy sector by the Utilities segment.

The Retail & Commerce segment aims for the long-term target of a minimum annual growth of 8 percent in the revenue and operating result.

For the revenue of the Utilities segment, the long-term target is to grow a minimum of 15 percent annually. For the operating result, the segment is aiming for the long-term target of 18 percent annual growth. The segment is aiming to increase the share of software-based recurring revenue to half of its total revenue.

In addition to the segment-specific targets, the Board of Directors has approved the company's goals for dividend policy and leverage ratio. Solteq Group aims to pay, at minimum, dividends equaling 50 percent of the annual operating result. The aimed long-term leverage ratio is 3:1 (the net debt to EBITDA, the effect of IFRS16 has been eliminated).

"Solteq has not performed at the desired level over the past year. Our task is to return the company back on a growth path and clearly improve profitability. The market situation and the challenges related to product development in the Utilities segment continue to strain the company during this year. With our long-term commitment to product development and understanding our customers' business operations even better, we are aiming to achieve the targets set in three years, at the latest. There is a lot of work to be done, but I strongly believe that with the know-how of our current personnel, we will reach our targets," comments **Aarne Aktan**, the CEO of Solteq.

The long-term financial targets for the segments:

Key Figure	Retail & Commerce	Utilities
Minimum average annual growth in revenue, %	8%	15%
Minimum EBIT, %	8%	18%

Further Information

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Solteq in brief

Solteq is a provider of IT services and software solutions specializing in the digitalization of business and industry-specific software. The key sectors in which the company has long-term experience are retail, manufacturing, utilities, and services. The company employs over 650 professionals with offices in Finland, Sweden, Norway, Denmark, Poland, and the UK, with a customer base throughout Europe.