

Solteq updates the definitions of comparable EBITDA and operating result, and publishes new figures concerning them for 2023

Stock exchange bulletin

Other information published under the rules of the exchange

April 24, 2024, at 1:30 p.m.

Solteq Plc publishes new comparable data for the financial year 2023. The company has changed the definition of comparable EBITDA and comparable operating result and added significant changes from product development activations and related depreciation to items affecting comparability. The definition of comparable revenue remains unchanged.

In December 2023, the company changed its operating logic of dealing with product development activities. The development of own software products is part of continuous services and standard operations, and the related product development costs no longer meet the requirements for activation. The development costs of these existing software products are thus treated as cost items in the income statement as part of normal business operations, and product development cost activations ceased in the last quarter of the financial year 2023. In addition, the company assesses the product development investments activated in the balance sheet and their expected return. As a result of the assessment, the company made write-downs totaling EUR 7.5 million. The change in operating mode affected Solteq Group's fourth quarter 2023 comprehensive income statement and consolidated balance sheet. The change did not affect the Group's comprehensive income statements or consolidated balance sheets reported for the first, second and third quarters of 2023.

In the new comparable EBITDA and comparable operating result figures for 2023, quarterly product development activations of existing software products have been adjusted as expenses and related depreciation of previous product development activations has been reversed through profit or loss as if the change described above had been made at the beginning of 2023. The new comparable figures are unaudited.

The new comparable data include quarterly reported EBITDA and operating result. The new comparable data does not affect the reported revenue. Comparable key figures are presented based on the company's segment structure. In addition, product development activations and related depreciation adjusted from comparable EBITDA are presented below by segment.

	1- 3/2023	4- 6/2023	7- 9/2023	10- 12/2023	1- 12/2023
Comparable EBITDA, TEUR					
Retail & Commerce	1,326	149	684	156	2,315
Utilities	-1,205	-1,418	-819	-534	-3,976
Total	121	-1,269	-135	-378	-1,662

	1- 3/2023	4- 6/2023	7- 9/2023	10- 12/2023	1- 12/2023
Comparable EBITDA, %					
Retail & Commerce	12.5	1.5	7.4	1.5	5.7
Utilities	-34.8	-41.2	-27.4	-14.0	-29.0
Total	0.9	-9.3	-1.1	-2.7	-3.1
Comparable operating result, TEUR					
Retail & Commerce	815	-386	261	-241	449
Utilities	-1,467	-1,689	-1,082	-785	-5,024
Total	-652	-2,076	-821	-1,026	-4,575
Comparable operating result, %					
Retail & Commerce	7.7	-3.8	2.8	-2.3	1.1
Utilities	-42.4	-49.1	-36.2	-20.6	-36.7
Total	-4.6	-15.3	-6.7	-7.2	-8.4

Adjusted product development activations and related depreciation:

	1- 3/2023	4- 6/2023	7- 9/2023	10- 12/2023	1- 12/2023
Product development activations					
Retail & Commerce	-290	-300	-363	-96	-1,048
Utilities	-537	-434	-337	0	-1,308
Total	-826	-734	-700	-96	-2,356
Depreciation					
Retail & Commerce	249	251	260	72	831
Utilities	257	276	289	10	831
Total	506	527	549	81	1,663

The items affecting comparability under the new definition are:

- Significant restructuring arrangements and related financial items
- Impairments
- Items related to the sale or discontinuation of significant business operations
- Costs incurred by the re-organization of operations
- Costs incurred by the integration of acquired business operations
- Severance packages for those permanently excluded from the cost structure
- Non cash flow based fees and commissions
- Costs incurred by changes in legislation
- Fines and similar indemnities, damages, and legal costs
- Significant changes in activations of development costs of own software products and related depreciation

The comparable key figures of Solteq's first interim report of 2024 will be prepared in line with the new comparability definition.

Distribution

Nasdaq Helsinki
Key media
www.solteq.com

Additional information

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

CFO, General Counsel Mikko Sairanen
Tel: +358 50 567 3421
E-mail: mikko.sairanen@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 nearly 500 professionals and has offices in Finland, Sweden, Norway, Denmark, Poland, and the UK.