

Solution Dynamics Limited

Annual Shareholder Meeting, 22 October 2026



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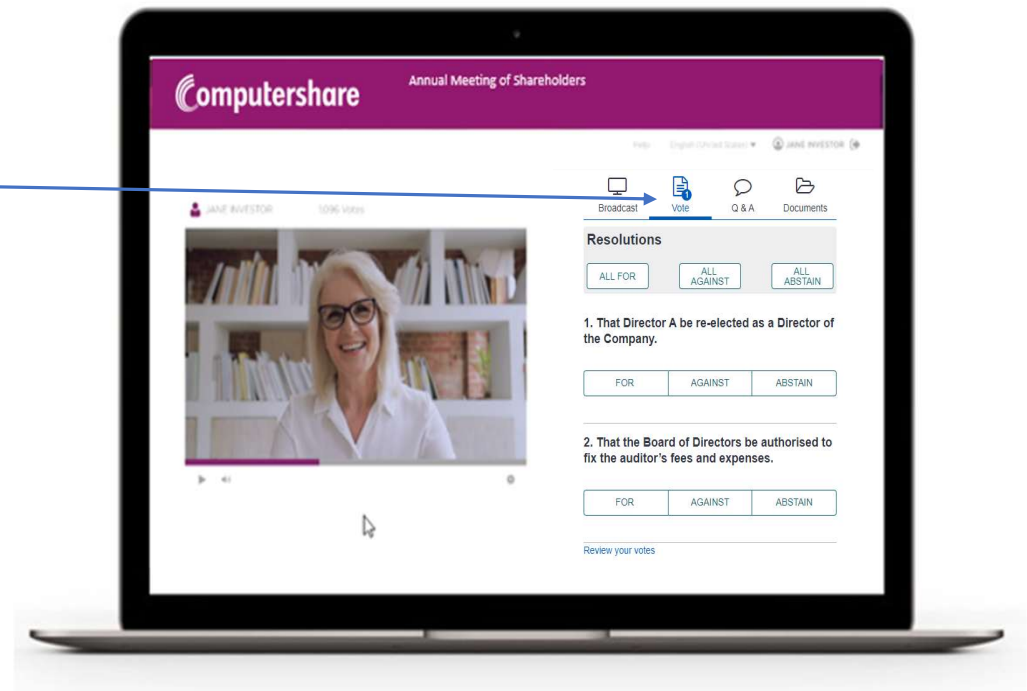
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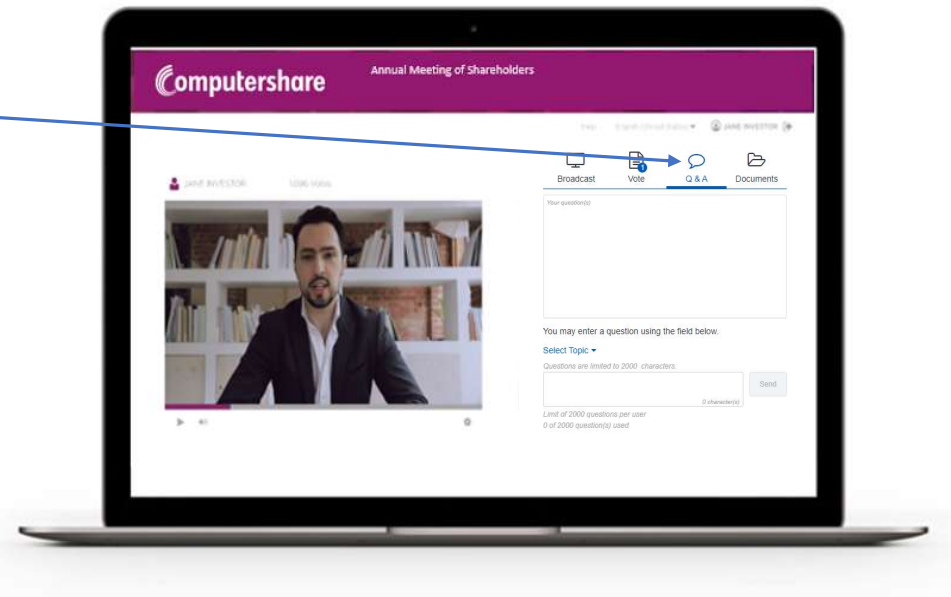
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- Meeting open: Voting and Questions procedures
- FY2026 review
- FY2026 key result metrics
- NZ Mailhouse operations
- Strategy: Dental marketing software
- FY2027 Outlook
- Formal business of the meeting, including resolutions:
 - to re-elect John McMahon
 - to elect Patrick Brand
 - to fix Auditor's remuneration
 - to authorise an increase in the size of the current share buyback programme
- General business and Questions

- Once the **voting** has been opened, the resolutions and voting options will allow voting.
- To vote, simply **click on the Vote tab**, and **select your voting direction from the options** shown on the screen.
- Your vote has been cast when the **tick** appears.
- To **change** your vote, select 'Change your Vote'.



- If you have a **question** to submit during the live meeting, please **select the Q & A tab on the right half of your screen** at anytime. Type your question into the field and press submit. Your question will be immediately submitted to the moderator.
- You can submit a question at any time but it may not be answered until the appropriate point in the meeting. Similar questions will be answered together.
- The Q & A tab can also be used for immediate **help**. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond directly to you.

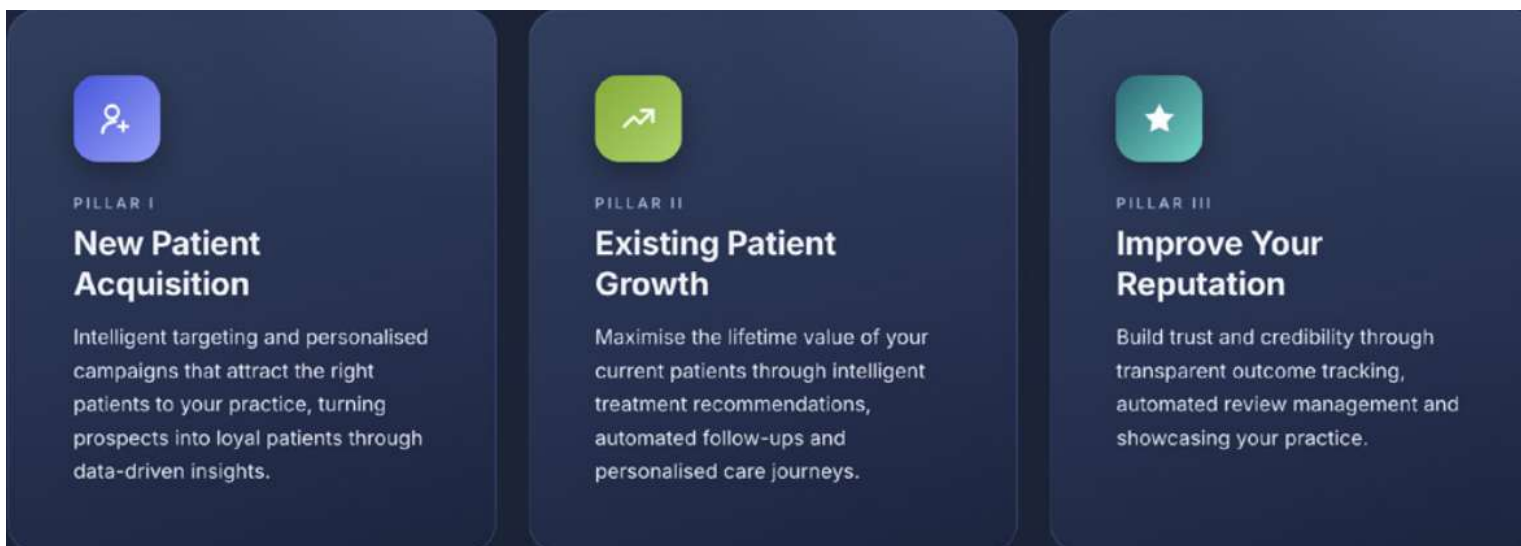


- Difficult year following major customer RFP contract loss
 - significant gross profit decline partly offset by material reduction in SG&A expense
- Leadership changes: Pat Brand resigning as CEO and joining Board, Susie Watts appointed CEO
- Revenue growth of 11% in top 10 customers (excl RFP customer)
 - more gains in NZ Councils' revenue
 - SDL mail volumes declined further (-11%), exacerbated by ongoing material increases in postage from NZ Post
 - international growth from Pitney Bowes which saw strong increase (+19%) in click volumes
- Successful development and launch of nGAGE into the UK dental market
 - pre-tax earnings impact from UK staffing, marketing and launch costs, around \$0.5 million
- Normalised FY2026 cash on balance sheet around \$7-8 million (approx 50 to 55cps)
 - FY2026 capex of \$1.3 million to replace inserter equipment that was end of life
 - bought back 0.49 million shares in FY2026 at average price of \$0.60/share
 - Board remains open to all options to improve shareholder returns; currently focused on share buyback

Financial Metrics (\$000)	FY26	FY25	Growth Y/Y	Five-Yr CAGR
Total Revenue	31,415	41,324	-24.0%	-2.4%
Digital Print & Outsourced	17,897	17,198	4.1%	10.6%
Software & Technology	13,518	24,126	-44.0%	-11.3%
Gross Profit	8,636	14,286	-39.5%	-8.5%
Gross Margin	27.5%	34.6%		
SG&A expenses	7,503	9,840	-23.8%	-4.2%
EBITDA ^(a)	1,133	4,446	-74.5%	-23.1%
EBITDA Margin	3.6%	10.8%		
Net Profit after Tax	382	2,619	-85.4%	-28.4%
Earnings per share (cents)	2.7	17.8	-84.9%	-28.0%
Dividends per share (cents)	4.0	3.0	33.3%	-18.3%

(a) EBITDA is a non-GAAP earnings figure that equity analysts tend to focus on for comparable company performance analysis. The Company considers that it is a useful financial indicator because it avoids the distortions caused by the differences in amortisation and impairment policies.

- domestic services mail revenue up 4.1% but mail lodgements down 11%; all gain from higher postage
 - NZ Post postage prices rose 15% at start of FY2026 (and a further 24% from start FY2027)
 - expect further digitisation, albeit with a tail of customers still requiring print
 - SDL's email volumes now exceed print volumes
- domestic sales efforts lead with “Digital First” approach
 - seeing early interest in utilising nGAGE functionality across a range of existing and potential new customers
- cost out efforts from operational and staff efficiency improvements over FY2026
 - additional gains to come from rationalising print equipment configuration and reducing premises footprint
- gained further Council customers, additional outsourcing work from some existing Council customers and initial work for new Council-owned water entities
- AI internal usage across software life cycle seeing productivity gains, progressively building AI functionality into nGAGE, and exploring AI assistance for customer service functionality



- core nGAGE functionality for dental practices includes targeted marketing campaigns
 - core, practice-customised templates, or bespoke templates with AI-assisted patient selection
 - integration with practice management software provides ROI tracking of campaign effectiveness
- video overview of nGAGE – [video](#)
- see dedicated nGAGE website – [website](#) – for more detailed functionality

- initial target is UK market aligned with a leading dental practice software supplier's product
 - TAM (total addressable market) circa 12k dental practices, SOM (serviceable obtainable market) circa 8-10k practices based on SDL's estimated market share for the dental practice software supplier
- around 140 sites signed as at 30 June 2026 (40 onboarded); now around 170 signed up with strong pipeline
 - most new clients are running 2-3 months trials to prove out the marketing ROI for their practices
 - nGAGE operates a revenue share model with the dental practice software supplier
 - sales discussions with larger dental practice group are underway but will be a longer sales cycle
- next regional market for nGAGE is Aust/NZ; SDL in discussions with an initial practice for trial
- SDL has historically delivered bespoke communications software solutions for complex problems
 - nGAGE is the first scalable, customer-driven software solution for end users
 - it is architected for use beyond the dental vertical market and SDL is currently looking to productise for other vertical markets

- Ongoing structural headwind for mail from higher postage charges in NZ is broadly being offset by market share gains (new names plus further outsourcing from existing customers)
 - structural challenges will continue to pressure mail volumes
 - ongoing cost out activity from staffing and print equipment efficiencies; premises costs to reduce
- Technology efforts have now moved most of SDL's operations to the Cloud, and AI usage is steadily increasing albeit not yet mature
- Early success with Council-owned Water entities (for billing) should see revenue later in FY2027
- Focus on international growth
 - seeing revenue growth from most larger US and UK customers with further opportunities at Pitney Bowes
 - continuing to build UK nGAGE dental pipeline and seeing solid conversion into sales
 - have agreement with dental software supplier to market nGAGE in Australia and New Zealand
 - early sales efforts taking nGAGE into transactional communications for a range of non-dental clients is seeing strong interest with two NZ opportunities currently at contract stage

- SDL share price modestly above cash backing per share
 - current cash backing per share around \$0.50 to \$0.55 and directors will continue with share buyback
 - proposal for shareholders to authorise an increase to buyback capacity
- FY2027 guidance remains \$0.4 to \$1.0 million
 - underlying trading is modestly behind budget year-to-date; strong pipeline should close the gap subject to timing of conversion to revenue
 - larger customers continue trend of migration to digital...
 - ... albeit there is a rump of NZ customers that continue to require physical communications
 - nGAGE dental in UK will remain a constraint on FY2027 earnings, at a similar level to FY2026
 - nGAGE has strong potential in other regions for dental (Aust/NZ) and other vertical sectors but likely only modest contribution in FY2027
 - usual risk caveats apply to earnings guidance

Questions?

- Voting will be by way of poll
 - votes will be counted by Computershare and the results then released on NZX
 - you must have logged on to this meeting using the details you received in the Notice of Meeting to be eligible to vote
- How to vote reminder
 - if you are eligible a 'Vote' tab will show on your screen; click on the tab icon to vote
 - the resolutions will appear along with voting options
 - simply select the voting direction from the options shown on the screen
 - your vote has been cast when the tick appears
 - you can change your vote any time until the meeting ends by selecting 'Change your vote'.

- Resolution 1: Re-election of John McMahon
 - To re-elect John McMahon as a director of Solution Dynamics Limited
- Resolution 2: Election of Patrick Brand
 - To elect Patrick Brand as a director of Solution Dynamics Limited
- Resolution 3: Auditor remuneration
 - That the Board be authorised to fix the remuneration of the Company's auditors for the FY2027 year
- Resolution 4: Increase in size of the share buyback
 - That the Company be authorized to increase the size of the share buyback from the statutory limit of 5%, up to 20% of the shares on issue as at 24 March 2026

- Any remaining general business or questions?
- Meeting is now formally closed

Thank you for attending