

Solium Releases 2015 First Quarter Financial Results

- **Revenue increased by 13%**
- **Adjusted EBITDA decreased by 11%**
- **Cash position strong at \$57.8 million**

CALGARY, May 5, 2015 — Solium Capital Inc. (“Solium” or the “Company”) today announced its financial results for the first quarter ended March 31, 2015.

Financial and operating highlights for the first quarter ended March 31, 2015:

- Revenue increased by 13% to \$24.6 million in the first quarter of 2015;
- Adjusted EBITDA¹ decreased by 11% to \$6.4 million in the first quarter of 2015;
- Earnings from operations decreased by 12% to \$5.3 million in the first quarter of 2015;
- Net earnings decreased by 5% to \$4.3 million in the first quarter of 2015;
- Cash on hand and short-term investments as at March 31, 2015 totaled \$57.8 million;

Key factors affecting financial results for the first quarter ended March 31, 2015:

- **Strategic initiatives** - Strategically driven expenses that were accelerated through the second half of 2014 impacted operating expenses in Q1 2015 as compared to Q1 2014. The accelerated spending in 2014 was in anticipation of positive future business opportunities and related to the building out of regional teams outside of Canada, further development of the Company’s global equity administration platform, and adding to the associated shared services capabilities in Canada. The Company’s full-time equivalent employees (FTEs) based outside of Canada grew from 164 at the end of Q1 2014 to 199 FTEs at the end of the first quarter of 2015.
- **Foreign exchange** – The strength of the U.S. dollar (USD) against the Canadian dollar (CAD) increased during the three months ended March 31, 2015 compared to the same period in 2014. This had a positive impact on the Company’s overall financial results due to the translation of USD financial results into CAD for consolidated financial reporting purposes.
- **Organic growth** - The Company experienced increased license and subscription fees during the first quarter of 2015 as compared to the same period in 2014. The Company experienced relatively flat transactional based revenue in the first quarter of 2015 as compared to the first quarter of 2014. Of note, the transactional activity on a per participant basis in the first quarter of 2014 was 23% higher than the first quarter of 2015.

Selected financial information for the first quarter ended March 31, 2015:

(In thousands of Canadian dollars except per share amount)

	Three Months Ended March 31,		
	2015	2014	% Change
Revenue	\$24,598	\$21,741	13%
Operating Expenses	\$19,301	\$15,714	23%
Adjusted EBITDA ¹	\$6,435	\$7,254	(11)%
Earnings from operations	\$5,297	\$6,027	(12)%
Net earnings	\$4,332	\$4,571	(5)%
Net earnings per share			
Basic	\$0.091	\$0.097	(6)%
Diluted ²	\$0.087	\$0.092	(5)%
Issued and outstanding			
Common shares	48,022	47,199	2%
Diluted ³	52,225	51,510	1%

Revenue from Canadian operations was \$8.8 million in the first quarter of 2015 (Q1 2014: \$9.1 million), while revenue from U.S. operations was \$11.8 million (Q1 2014: \$10.1 million), and revenue from International operations was \$4.0 million (Q1 2014: \$2.5 million).

Adjusted EBITDA¹ in Canada was \$3.6 million in the first quarter of 2015 (Q1 2014: \$4.1 million), while Adjusted EBITDA¹ in the U.S. was \$2.1 million (Q1 2014: \$3.2 million), and Adjusted EBITDA¹ in International operations was \$0.7 million (Q1 2014: loss of \$0.07 million).

The effective income tax rate relative to consolidated accounting income decreased from 35.3% in the first quarter of 2014 to 33.9% in the first quarter of 2015.

Basic net earnings per share were \$0.091 in the first quarter of 2015 (Q1 2014: \$0.097).

During the first quarter of 2015, the Company had a net cash inflow of \$0.3 million (Q1 2014: outflow \$3.0 million). Funds from operations during the first quarter of 2015 were \$8.3 million (Q1 2014: \$8.8 million). The payment of employee staff bonuses for 2014 that occurred in the first quarter of 2015 as well as income tax payments and installments brought cash flow from operations down to \$0.02 million (Q1 2014: \$0.4 million). The net cash inflow from financing activities was \$0.3 million during the quarter ended March 31, 2015 (Q1 2014: \$0.02 million), net cash outflow from investing activities was \$0.3 million (Q1 2014: \$3.4 million), and the effect of foreign exchange on cash held in foreign currencies was \$0.3 million (Q1 2014: \$0.06 million).

Working capital as at March 31, 2015 was \$60.3 million (December 31, 2014: \$54.3 million). Included in working capital was accounts receivable of \$18.1 million (December 31, 2014: \$13.2 million), which increased as at March 31, 2015 compared to December 31, 2014 mainly as a result of the normal annual Q1 billing cycle of fees for certain clients.

Outlook

Solium will continue to invest significantly in Shareworks, the first and only equity administration platform with end-to-end global capabilities on a single platform, and, as a result of strong global client and revenue growth, will continue to build out the Company's international operations. This investment in product and organizational capacity is in response to very positive business opportunities across various regions.

Notes:

1. Earnings before interest, taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA are non-IFRS financial measures which do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. EBITDA and Adjusted EBITDA provide useful information to users as they reflect the net earnings prior to the effect of non-operating expenses such as finance costs, income tax, amortization, and foreign exchange gain or loss (on translation of working capital assets), gain on reversal and extinguishment of amounts due to Computershare, and intangibles and goodwill charges. Management uses Adjusted EBITDA in measuring the financial performance of the Company. Management monitors Adjusted EBITDA against budget and past results on a regular basis. The measure is a component in determining the annual bonus pool for staff and management.

The following is a reconciliation of Adjusted EBITDA to net earnings:

	Three months ended March 31	
	2015	2014
Adjusted EBITDA	6,435	7,254
Foreign exchange gain	1,010	898
EBITDA	7,445	8,152
Finance income	242	136
Amortization expense	(1,138)	(1,227)
Income tax expense	(2,217)	(2,490)
Net earnings	4,332	4,571

2. Diluted net earnings per share is calculated using the treasury stock method.
3. Diluted shares as presented equals issued and outstanding common shares plus outstanding stock options and restricted share units.

About Solium Capital Inc.

Solium Capital Inc. (TSX: SUM) provides cloud-enabled services for global equity administration, financial reporting and compliance. From offices in the United States, Canada, the United Kingdom, Europe and Australia, our innovative software-as-a-service (SaaS) technology powers share plan administration and equity transactions for more than 3,000 corporate clients with employee participants in more than 100 countries. Follow us @Solium and visit us at solium.com.

Certain statements included or incorporated by reference in this press release constitute forward-looking statements or forward-looking information under applicable securities legislation. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", or similar words suggesting future outcomes or statements regarding an outlook. Specific forward-looking statements in this press release include statements with respect to continued investment in Shareworks, and the growth of international operations and international markets. Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect, including assumptions with respect to the ability of the Company to identify, hire, train, motivate and retain qualified personnel, the Company's ability to maintain or accurately forecast revenue from its products and services, and the competitive environment in which the Company operates. Although Solium believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements or information because Solium can give no assurance that such expectations will prove to be correct. The forward-looking statements and information are based on Solium's current expectations, estimates and projections, and are subject to a number of significant risks and uncertainties that could cause actual results to differ materially from those anticipated, including general business and economic conditions, actions of

competitors and partners, the regulatory environment and product capability and acceptance. Accordingly, readers are advised not to place undue reliance on forward-looking statements or information.

The Management's Discussion and Analysis and the condensed consolidated interim financial statements for the three months ended March 31, 2015 referred to herein will be available on SEDAR at www.sedar.com under Solium Capital Inc., or at www.solium.com.

For further information:

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