

Solium Releases 2015 Third Quarter Financial Results

- **Revenue increased by 20%**
- **Adjusted EBITDA increased by 5%**
- **Cash position strong at \$65.7 million**

CALGARY, November 3, 2015 — Solium Capital Inc. (“Solium” or the “Company”) today announced its financial results for the third quarter ended September 30, 2015.

Financial and operating highlights for the three and nine month periods ended September 30, 2015:

- Revenue increased by 20% to \$22.5 million in the third quarter of 2015 and by 16% to \$70.0 million for the nine month period ended September 30, 2015;
- Adjusted EBITDA¹ increased by 5% to \$3.9 million in the third quarter of 2015 and decreased by 10% to \$14.7 million in the nine month period ended September 30, 2015;
- Earnings from operations increased by 7% to \$2.7 million in the third quarter of 2015 and decreased by 12% to \$11.2 million for the nine month period ended September 30, 2015;
- Net earnings increased by 43% to \$2.3 million in the third quarter of 2015 and by 3% to \$8.9 million in the nine month period ended September 30, 2015; and
- Cash on hand as at September 30, 2015 totaled \$65.7 million.

Key factors affecting financial results in the three and nine month periods ended September 30, 2015:

- **Organic growth** - The Company experienced increased license and subscription fees during the three and nine months ended September 30, 2015 as compared to the same periods in 2014. The Company experienced a decline in the number of trades per participant in the three and nine months ended September 30, 2015 as compared to the same periods in 2014. However, in line with a higher client and participant count resulting from organic growth, the Company had higher transactional based revenue in the three and nine months ended September 30, 2015 as compared to the same periods in 2014. Similar to past years, the third quarter of 2015 displayed a seasonal decline in trades per participant compared to the first two quarters of 2015.
- **Operating expenses** – In anticipation of positive future business opportunities, the Company continued to build out regional teams directly servicing international operations, further develop the Company’s global equity administration platform, and add to the associated shared services capabilities in Canada. In addition, the Company increased its expenditures on sales and marketing initiatives aimed at increasing the Company’s sales velocity in the U.S. and internationally.
- **Foreign exchange** – The strength of the U.S. dollar (USD) against the Canadian dollar (CAD) increased during the three and nine months ended September 30, 2015 compared to the same periods 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.

Selected financial information for the third quarter and nine month period ended September 30, 2015:

(Expressed in thousands of Canadian dollars except per share amounts)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
Revenue	\$22,451	\$18,696	20%	\$69,984	\$60,466	16%
Operating Expenses	\$19,772	\$16,185	22%	\$58,765	\$47,766	23%
Adjusted EBITDA ¹	\$3,875	\$3,699	5%	\$14,699	\$16,322	(10%)
Earnings from operations	\$2,679	\$2,512	7%	\$11,220	\$12,700	(12%)
Net earnings	\$2,286	\$1,599	43%	\$8,877	\$8,604	3%
Net earnings per share ²						
Basic	\$0.047	\$0.034	38%	\$0.184	\$0.182	1%
Diluted	\$0.045	\$0.032	41%	\$0.177	\$0.173	2%
Issued and outstanding Common shares						
Diluted ³				48,928,364	47,786,459	2%
				53,050,502	52,330,942	1%

Revenue from Canadian operations was \$7.0 million in the third quarter of 2015 (2014: \$7.4 million) and \$24.0 million in the nine month period ended September 30, 2015 (2014: \$25.1 million).

Revenue from U.S. operations was \$11.4 million in the third quarter of 2015 (2014: \$9.1 million) and \$34.2 million in the nine month period ended September 30, 2015 (2014: \$28.6 million).

Revenue from International operations was \$4.0 million in the third quarter of 2015 (2014: \$2.2 million) and \$11.8 million in the nine month period ended September 30, 2015 (2014: \$6.8 million).

Adjusted EBITDA¹ in Canada was \$1.8 million in the third quarter of 2015 (2014: \$2.6 million) and \$8.2 million in the nine month period ended September 30, 2015 (2014: \$10.0 million).

Adjusted EBITDA¹ in the U.S. was \$2.1 million in the third quarter of 2015 (2014: \$2.1 million) and \$5.9 million in the nine month period ended September 30, 2015 (2014: \$8.0 million).

Adjusted EBITDA¹ in International operations was at a break-even position in the third quarter of 2015 (2014: loss of \$1.0 million) and \$0.6 million in the nine month period ended September 30, 2015 (2014: loss of \$1.7 million).

Basic net earnings per share was \$0.047 in the third quarter of 2015 (2014: \$0.034) and \$0.184 for the nine month period ended September 30, 2015 (2014: \$0.182).

During the nine month period ended September 30, 2015, the Company had a net cash inflow of \$14.7 million (2014: inflow \$2.1 million). Funds from operations were \$18.9 million during the nine month period ended September 30, 2015 (2014: \$18.9 million), while total cash inflow from operations was \$6.9 million during the nine month period ended September 30, 2015 (2014: inflow \$12.3 million). As a result of the issuance of common shares for employee stock option exercises, cash inflow from financing activities was \$1.7 million for the nine month period ended September 30, 2015 (2014: inflow \$0.6 million). Cash inflow from investing activities was \$5.6 million in the nine month period ended September 30, 2015 (2014: outflow of 11.2 million) as a result of the maturity of short-term investments.

Working capital as at September 30, 2015 was \$68.8 million (December 31, 2014: \$54.3 million). Included in working capital was trade and other receivables of \$20.9 million (December 31, 2014: \$13.2 million), which increased as at September 30, 2015 compared to December 31, 2014 partly as a result of increased recurring license, subscription and maintenance fees as at September 30, 2015.

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 September 30		Nine months ended September 30	
	2015	2014	2015	2014
Adjusted EBITDA	3,875	3,699	14,699	16,322
Foreign exchange gain (loss)	702	114	1,536	459
EBITDA	4,577	3,813	16,235	16,781
Finance income	160	188	611	508
Amortization expense	(1,196)	(1,188)	(3,479)	(3,622)
Income tax expense	(1,255)	(1,214)	(4,490)	(5,063)
Net earnings	2,286	1,599	8,877	8,604

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 and nine months ended September 30, 2015 referred to herein will be available on SEDAR at www.sedar.com under Solium Capital Inc., or at www.solium.com.

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