

## Solium Releases 2016 First Quarter Financial Results

- **Revenue increased by 3%**
- **Adjusted EBITDA decreased by 32%**
- **Cash position strong at \$71.0 million**

**CALGARY, May 3, 2016** — Solium Capital Inc. (“Solium” or the “Company”) today announced its financial results for the first quarter ended March 31, 2016.

### Financial and operating highlights for the first quarter ended March 31, 2016:

- Revenue increased by 3% to \$25.4 million in the first quarter of 2016;
- Adjusted EBITDA<sup>1</sup> decreased by 32% to \$4.4 million in the first quarter of 2016;
- Earnings from operations decreased by 41% to \$3.1 million in the first quarter of 2016;
- Net earnings decreased by 57% to \$1.8 million in the first quarter of 2016; and
- Cash on hand as at March 31, 2016 totaled \$71.0 million.

### Key factors affecting financial results for the first quarter ended March 31, 2016:

- **Organic growth in license revenue** - License and subscription fees increased by \$2.4 million or 16% during the first quarter of 2016 compared to the same period in 2015. Based on local currencies, the growth was 7% between the comparable quarters.
- **Transaction activity** - In addition to the recurring license revenue that Solium collects for the use of its Shareworks platform, the Company also collects reoccurring transaction based revenue. Transaction based revenue decreased by \$1.5 million or 17% in the first quarter of 2016 as compared to the same period in 2015. The per participant trading activity was 19% lower than the level in the first quarter of 2015 and was 9% lower than the historical five-year rolling average.
- **Global expansion** - The Company continues to focus on building scale in its global platform and operations. Operating expenses increased by \$2.9 million compared to the same period of 2015. The increase is attributable to growth in headcount primarily associated with international expansion, translation of international expenses into CAD, and other increases in systems and regulatory compliance costs. The Company had 467 full-time equivalent employees (FTE's) at the end of the first quarter of 2016 compared to 424 FTE at the end of the first quarter of 2015. The FTE count held consistent to the fourth quarter of 2015.
- **Foreign exchange** - The strength of the international currencies against the Canadian dollar (CAD) increased during the three months ended March 31, 2016 compared to the same period in 2015. This had a positive impact on the Company's overall net financial results primarily due to the translation of U.S. dollar (USD) financial results into CAD for consolidated financial reporting purposes.

**Selected financial information for the first quarter ended March 31, 2016:**  
(In thousands of Canadian dollars except per share amount)

	<b>Three Months Ended March 31,</b>		
	<b>2016</b>	2015	% Change
Revenue	<b>\$25,384</b>	\$24,598	3%
Operating Expenses	<b>\$22,248</b>	\$19,301	15%
Adjusted EBITDA <sup>1</sup>	<b>\$4,407</b>	\$6,435	(32)%
Earnings from operations	<b>\$3,136</b>	\$5,297	(41)%
Net earnings	<b>\$1,844</b>	\$4,332	(57)%
Net earnings per share			
Basic	<b>\$0.038</b>	\$0.091	(58)%
Diluted <sup>2</sup>	<b>\$0.037</b>	\$0.087	(57)%
Issued and outstanding			
Common shares	<b>49,224</b>	48,022	3%
Diluted <sup>3</sup>	<b>52,975</b>	52,225	1%

**Regional breakdown of results** (expressed in thousands of Canadian dollars):

	<b>Canada</b>		<b>U.S.</b>		<b>International</b>		<b>Consolidated</b>	
	<b>2016</b>	2015	<b>2016</b>	2015	<b>2016</b>	2015	<b>2016</b>	2015
<b>First Quarter</b>								
Revenues	<b>\$8,950</b>	\$8,776	<b>\$12,345</b>	\$11,809	<b>\$4,089</b>	\$4,013	<b>\$25,384</b>	\$24,598
Adjusted EBITDA <sup>1</sup>	<b>\$2,328</b>	\$3,629	<b>\$2,650</b>	\$2,081	<b>(\$571)</b>	\$725	<b>\$4,407</b>	\$6,435
Adjusted EBITDA <sup>1</sup> %	<b>26%</b>	41%	<b>21%</b>	18%	<b>(14%)</b>	18%	<b>17%</b>	26%

Basic net earnings per share was \$0.038 in the first quarter of 2016 (Q1 2015: \$0.091).

During the first quarter of 2016, the Company had a net cash outflow of \$2.1 million (Q1 2015: inflow \$0.3 million). Funds from operations during the first quarter of 2016 was \$4.4 million (Q1 2015: \$8.3 million). The payment of employee staff bonuses for 2015 that occurred in the first quarter of 2016 as well as income tax payments and installments resulted in cash outflow from operations of \$1.29 million (Q1 2015: inflow \$0.02 million). The net cash inflow from financing activities was \$0.1 million during the quarter ended March 31, 2016 (Q1 2015: \$0.3 million), net cash outflow from investing activities was \$0.1 million (Q1 2015: \$0.3 million), and the effect of foreign exchange on cash held in foreign currencies was a decrease of \$0.8 million (Q1 2015: increase of \$0.4 million).

Working capital as at March 31, 2016 was \$76.8 million (December 31, 2015: \$73.9 million). Included in working capital was accounts receivable of \$21.8 million (December 31, 2015: \$20.0 million), which increased as at March 31, 2016 compared to December 31, 2015 mainly as a result of the normal annual Q1 billing cycle of fees for certain clients.

## Outlook

One of Solium's key strategic objectives is currently the penetration into global companies. Leading indicators of success in this strategy recently include the following:

- The Company has had success in selling modules and services related to global regulatory and tax compliance (Shareworks Global Compliance) to multinational companies, including several Fortune 100 companies. This indicates growing awareness of the breadth and sophistication of our offering, and creates the opportunity to eventually win the full mandate for the clients' overall equity administration programs.
- Solium will be opening a client service center of excellence in Barcelona in 2016, to increase the depth of its team in Spain and increased support for continental Europe operations. The Barcelona center will roll out in the second half of 2016 and will include a multi-language call center and become the center of expertise for the Shareworks Global Compliance product and service.
- Solium had the honor in April 2016 of accepting, on behalf of two clients, separate global awards for equity compensation initiatives. These are given out each spring by the industry association GEO (Global Equity Organization), an organization focused on equity compensation administration practices for corporate issuers. These awards indicate the increasing enablement and advancement that Solium is bringing to the overall profession, which is further evidence of becoming the industry leader on the global stage.

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), and gain on derecognition of liability. 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:

	<b>Three months ended March 31</b>	
	<b>2016</b>	<b>2015</b>
Adjusted EBITDA	<b>4,407</b>	6,435
Foreign exchange gain (loss)	<b>(838)</b>	1,010
Gain on derecognition of liability	<b>587</b>	-
EBITDA	<b>4,156</b>	7,445
Finance income	<b>193</b>	242
Amortization expense	<b>(1,271)</b>	(1,138)
Income tax expense	<b>(1,234)</b>	(2,217)
Net earnings	<b>1,844</b>	4,332

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](http://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, 2016 referred to herein will be available on SEDAR at [www.sedar.com](http://www.sedar.com) under Solium Capital Inc., or at [www.solium.com](http://www.solium.com).*

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