

Solium Releases 2014 Second Quarter Financial Results

- **Revenue increased by 28%**
- **Adjusted EBITDA increased by 83%**
- **Cash position strong at \$49.3 million**

CALGARY, August 6, 2014 — Solium Capital Inc. (“Solium” or the “Company”) today announced its financial results for the second quarter ended June 30, 2014.

Financial and operating highlights for the three and six month periods ended June 30, 2014:

- Revenue increased by 28% to \$20.0 million in the second quarter of 2014 and by 24% to \$41.8 million for the six month period ended June 30, 2014;
- Earnings from operations increased by 142% to \$4.2 million in the second quarter of 2014 and by 71% to \$10.2 million for the six month period ended June 30, 2014;
- Adjusted EBITDA¹ increased by 83% to \$5.4 million in the second quarter of 2014 and by 51% to \$12.6 million in the six month period ended June 30, 2014;
- Net earnings increased by 80% to \$2.4 million in the second quarter of 2014 and by 74% to \$7.0 million in the six month period ended June 30, 2014; and
- Cash and short-term investments as at June 30, 2014 totaled \$49.3 million.

Key factors affecting financial results in the three and six month periods ended June 30, 2014:

- **Organic growth and strong trading activity** - The Company experienced higher license and subscription fees in the three and six months ended June 30, 2014 as compared to the same periods in 2013 as a result of organic growth. In addition, the Company experienced stronger participant share trading activity and corresponding transaction based revenue compared to the same periods in 2013. Certain seasonal factors typically contribute to higher transaction based revenue in the first quarter of a given year. As expected, the second quarter of 2014 displayed seasonal decline in transaction based revenue compared to the first quarter of 2014. However, the second quarter decline was not as significant as experienced in prior years.
- **Foreign exchange** – The U.S. dollar (USD) was higher compared to the Canadian dollar (CAD) during the three and six months ended June 30, 2014 compared to the same periods in 2013. This had a positive impact on the Company’s net earnings due to the translation of USD financial results into CAD for consolidated financial reporting purposes. However, during the three months ended June 30, 2014, the CAD partially reversed previous trends and strengthened as compared to the USD and other foreign currencies. This resulted in a foreign exchange loss for the second quarter of 2014 primarily arising from the translation of foreign currency denominated working capital items held on the balance sheet of the Canadian operations.
- **Acquisitions** – GlobalSharePlans (rebranded to Solium GSP), a leading online provider of regulatory and tax information for companies with global equity incentive plans was acquired at the beginning of 2014. Revenue of \$0.4 million and \$0.7 million and a loss before income taxes of \$0.3 million and \$0.6 million was recorded from the acquired business in the three and six months ended June 30, 2014, respectively. This is compared to no revenue or loss before income taxes in the second quarter of 2013.

Selected financial information for the second quarter and six month period ended June 30, 2014:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	% Change	2014	2013	% Change
Revenue	\$20,028	\$15,649	28%	\$41,770	\$33,800	24%
Operating Expenses	\$15,868	\$13,931	14%	\$31,582	\$27,840	13%
Earnings from operations	\$4,161	\$1,718	142%	\$10,188	\$5,960	71%
Adjusted EBITDA ¹	\$5,368	\$2,940	83%	\$12,622	\$8,354	51%
Net earnings	\$2,434	\$1,349	80%	\$7,005	\$4,022	74%
Net earnings per share ²						
Basic	\$0.052	\$0.032	63%	\$0.148	\$0.095	56%
Diluted	\$0.049	\$0.030	63%	\$0.141	\$0.091	55%
Issued and outstanding Common shares				47,332,612	42,814,462	11%
Diluted ³				51,591,863	47,123,783	9%

Revenue was \$20.0 million in the second quarter of 2014 (2013: \$15.6 million) and \$41.8 million in the six month period ended June 30, 2014 (2013: \$33.8 million).

Adjusted EBITDA was \$5.4 million in the second quarter of 2014 (2013: \$2.9 million) and \$12.6 million in the six month period ended June 30, 2014 (2013: \$8.4 million).

Net earnings were \$2.4 million in the second quarter of 2014 (2013: \$1.3 million) and \$7.0 million in the six month period ended June 30, 2014 (2013: \$4.0 million).

Net earnings per share (basic) was \$0.052 in the second quarter of 2014 (2013: \$0.032) and \$0.148 in the six month period ended June 30, 2014 (2013: \$0.095).

During the six month period ended June, 30, 2014, the Company generated \$10.8 million from its operational activities (2013: \$7.6 million). \$6.3 million of the cash generated was placed into short-term investments, increasing the short-term investments balance to \$28.3 million as at June 30, 2014. \$2.7 million of cash was used in the acquisition of GlobalSharePlans (rebranded to Solium GSP) in January 2014.

Working capital as at June 30, 2014 was \$48.9 million (December 31, 2013: \$41.9 million).

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 will accelerate investment into the expansion of international operations.

On July 31, 2014, Solium completed the acquisition of certain assets of Executive Trading Solutions LLC (ETS), a provider of administration, executive reporting, and compliance solutions relating to U.S. 10b5-1 trading plans, in exchange for cash. The acquisition will have a nominal direct impact on the Company's financial results in 2014.

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 income and costs, income tax, amortization, and foreign exchange gain or loss (on translation of working capital). 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 June 30		Six months ended June 30	
	2014	2013	2014	2013
Adjusted EBITDA	5,368	2,940	12,622	8,354
Foreign exchange (loss) gain	(553)	353	345	120
EBITDA	4,815	3,293	12,967	8,474
Finance income (costs)	184	(107)	320	(207)
Amortization expense	(1,207)	(1,222)	(2,434)	(2,394)
Income tax expense	(1,358)	(615)	(3,848)	(1,851)
Net earnings	2,434	1,349	7,005	4,022

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, restricted share units and shares to be issued on conversion of the convertible notes.

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, Spain, France, 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, the development of opportunities resulting from the acquisition of Solium GSP and ETS and the anticipated impact of Solium GSP and ETS on future earnings, 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 six months ended June 30, 2014 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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