

Solium
CAPITAL

Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2010
(Unaudited)

AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The interim consolidated financial statements for the period ended September 30, 2010 have not been reviewed by the Company's auditors, Deloitte & Touche LLP. The Company did not engage its auditors to provide a Review Engagement Report on the interim financial statements, and therefore, no such report was issued by the auditors for the period ended September 30, 2010.

SOLIUM CAPITAL INC.

Consolidated Statements of Earnings, Deficit and Comprehensive Income (Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2010 \$	September 30, 2009 \$	September 30, 2010 \$	September 30, 2009 \$
REVENUE	5,785,541	4,955,850	17,249,952	14,630,020
OPERATING EXPENSES	4,993,779	3,912,422	14,451,482	12,124,595
EARNINGS FROM OPERATIONS	791,762	1,043,428	2,798,470	2,505,425
Interest on long-term debt	219	11,340	7,071	45,341
Foreign exchange loss	42,661	128,638	38,889	162,958
EARNINGS BEFORE TAXES	748,882	903,450	2,752,510	2,297,126
Income taxes	327,312	359,179	1,111,208	961,210
NET EARNINGS AND COMPREHENSIVE INCOME	421,570	544,271	1,641,302	1,335,916
DEFICIT, BEGINNING OF PERIOD	(360,410)	(2,511,471)	(1,580,142)	(3,303,116)
RETAINED EARNINGS (DEFICIT), END OF PERIOD	61,160	(1,967,200)	61,160	(1,967,200)
NET EARNINGS PER SHARE				
Basic	0.014	0.018	0.053	0.043
Diluted	0.013	0.018	0.052	0.043

The accompanying notes are an integral part of these financial statements.

SOLIUM CAPITAL INC.

Consolidated Balance Sheets

	As at	
	September 30, 2010 (unaudited) \$	December 31, 2009 (audited) \$
ASSETS		
CURRENT		
Cash	4,086,730	5,871,245
Accounts receivable	3,877,882	2,628,116
Prepaid expenses	1,006,184	442,424
Current portion of deferred charges	102,847	144,422
	9,073,643	9,086,207
Future income taxes	103,355	160,167
Deferred charges	43,939	103,175
Capital assets	819,127	470,207
Intangible assets	1,128,411	1,252,848
Goodwill	6,749,081	6,749,081
	17,917,556	17,821,685
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	1,754,203	3,059,021
Current portion of deferred revenue	1,044,361	848,097
Current portion of deferred tenant inducement	38,927	38,927
Current portion of long-term debt	-	679,030
	2,837,491	4,625,075
Deferred revenue	220,209	375,552
Deferred tenant inducement	36,536	56,447
Future income taxes	406,228	519,210
	3,500,464	5,576,284
SHAREHOLDERS' EQUITY		
Share capital	12,610,224	12,472,447
Contributed surplus	1,745,708	1,353,096
Retained earnings (deficit)	61,160	(1,580,142)
	14,417,092	12,245,401
	17,917,556	17,821,685

APPROVED BY THE BOARD:

Signed: "Brian Craig"

Signed: "Michael Broadfoot"

The accompanying notes are an integral part of these financial statements.

SOLIUM CAPITAL INC.

Consolidated Statements of Cash Flows (Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
	\$	\$	\$	\$
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:				
OPERATING				
Net earnings	421,570	544,271	1,641,302	1,335,916
Adjustments for items not involving cash:				
Future income taxes	(12,100)	(19,845)	(56,171)	(62,729)
Amortization of capital assets	123,981	91,354	315,119	329,871
Amortization of intangible assets	41,479	72,784	124,437	218,351
Loss on disposal of capital assets	21,791	-	22,231	-
Stock-based compensation expense	138,604	202,113	525,133	452,587
Amortization of tenant inducement	(408)	(9,732)	(19,885)	(33,127)
Deferred financing charges	52	1,955	1,503	7,269
	734,969	882,900	2,553,669	2,248,138
Future income taxes	-	-	-	21,146
Changes in non-cash working capital	(532,510)	376,683	(2,763,865)	682,820
	202,459	1,259,583	(210,196)	2,952,104
FINANCING				
Repayments of long-term debt	(97,195)	(291,669)	(680,533)	(875,007)
Issuance of common shares	-	52,500	78,750	283,250
Purchase of common shares in issuer bid	-	(73,650)	(73,494)	(74,610)
	(97,195)	(312,819)	(675,277)	(666,367)
INVESTING				
Purchase of capital assets	(174,509)	(50,056)	(687,157)	(188,107)
Proceeds from disposal of capital assets	726	-	725	-
Changes in non-cash working capital	(459,293)	(14,309)	(222,752)	16,743
	(633,076)	(64,365)	(909,184)	(171,364)
Effect of foreign exchange on cash held in foreign currency	135,421	36,129	10,142	67,615
NET (DECREASE) INCREASE IN CASH	(392,391)	918,528	(1,784,515)	2,181,988
CASH, BEGINNING OF PERIOD	4,479,121	3,512,776	5,871,245	2,249,316
CASH, END OF PERIOD	4,086,730	4,431,304	4,086,730	4,431,304
Supplemental cash flow information:				
Interest paid	261	9,747	7,289	38,848
Income taxes paid	263,723	48,345	1,642,776	319,220

The accompanying notes are an integral part of these financial statements.

SOLIUM CAPITAL INC.

Notes to the Consolidated Financial Statements (Unaudited)

1. BASIS OF PRESENTATION

These unaudited interim consolidated financial statements of Solium Capital Inc. (the “Company” or “Solium”) have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) for interim financial statements, and do not include all of the disclosures normally found in the annual financial statements for the Company. These interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2009.

The preparation of interim financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the interim financial statements and the accompanying notes. Actual results could differ from these estimates and the operating results for the interim period presented are not necessarily indicative of the results expected for the full year.

These interim financial statements have been prepared on a basis consistent with the audited financial statements for the year ended December 31, 2009. Certain of the prior year comparative figures have been reclassified to conform to the current period’s presentation.

2. CAPITAL DISCLOSURES

The Company’s objectives when managing capital are to:

- Maintain financial flexibility in order to preserve its ability to meet financial obligations, including potential obligations arising from additional acquisitions;
- Deploy capital to provide an appropriate investment return to its shareholders; and
- Maintain a capital structure that allows multiple financing options to the Company should a financing need arise.

The Company defines its capital as shareholders’ equity and long-term debt, including the current portion.

	September 30, 2010	December 31, 2009
	\$	\$
Shareholders’ equity	14,417,092	12,245,401
Long-term debt (principal payments outstanding)	-	680,533
Total capital	14,417,092	12,925,934

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, purchase shares for cancellation pursuant to normal course issuer bids, issue new shares, or raise debt.

The Company periodically monitors its capital structure, financing requirements, and ability to service its debt obligations principally through measuring its total debt to EBITDA. Total debt is the balance of principal payments outstanding on long-term debt (including the current portion). EBITDA, a non-GAAP measure, is calculated as earnings from operations plus interest, taxes, depreciation and amortization. As at September 30, 2010, the Company had no debt outstanding.

SOLIUM CAPITAL INC.
Notes to the Consolidated Financial Statements
(Unaudited)

3. FINANCIAL INSTRUMENTS

Fair value estimates:

	September 30, 2010			December 31, 2009		
	Level 1 \$	Level 2 \$	Level 3 \$	Level 1 \$	Level 2 \$	Level 3 \$
Cash equivalents	4,086,730			5,871,245		
Accounts receivable	3,877,882			2,628,116		
Accounts payable and accrued liabilities	1,754,203			3,059,021		
Long-term debt	-			679,030		

The three levels of the fair value hierarchy are described as follows:

- Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates cannot be determined with precision as they are subjective in nature and involve uncertainties and matters of judgment.

4. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

Exposure to credit risk, foreign currency risk and liquidity risk arises in the normal course of the Company's business. The Company currently does not enter into derivative financial instruments to reduce exposure to fluctuations in any of the risks impacting the Company's operations.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company has credit risk as a result of its accounts receivable. Total accounts receivable (net of allowances) held by the Company at September 30, 2010 amounted to \$3,877,882. The Company has not experienced significant credit losses in the past. In the three and nine months ended September 30, 2010, the Company recorded \$12,460 and \$48,521 in bad debt expense, respectively.

Accounts receivable consist of a large number of customers, spread across diverse industries. The Company does not have significant credit risk exposure to any single counterparty.

SOLIUM CAPITAL INC.
Notes to the Consolidated Financial Statements
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4. FINANCIAL INSTRUMENTS - RISK MANAGEMENT (continued)

Foreign Currency Risk

The Company operates in Canada and the United States. The functional currency of the parent company is Canadian dollars (CAD) and the reporting currency is CAD. Foreign exchange risk arises because the amount receivable on revenue or payable on expenditures that are denominated in U.S. dollars (USD) may vary when converted to Canadian dollars (CAD) due to changes in exchange rates arising from timing differences between when the revenue or expense occurs and when actual payment is received or made (“transaction exposures”) and because the USD denominated monetary net assets of the Company’s U.S. subsidiaries may vary on consolidation and revaluation into CAD (“translation exposure”).

The carrying amounts of the Company’s USD denominated monetary assets and monetary liabilities at September 30, 2010 are as follows:

	September 30, 2010 USD	December 31, 2009 USD
Monetary assets	1,648,022	1,248,956
Monetary liabilities	405,068	360,241
Net monetary assets exposed to foreign currency risk	1,242,954	888,715

Based on the balance of net monetary assets as at September 30, 2010, an increase of 1% in the exchange rate of USD to CAD would, everything else being equal, have had a positive effect on earnings before taxes for the three and nine months ended September 30, 2010 of approximately \$3,107 and \$9,321, respectively.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its obligations as they come due. The Company’s objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and cash equivalents balances and/or through the availability of funding from committed credit facilities. As at September 30, 2010, the Company had cash of \$4,086,730 on hand and a \$1.5 million credit facility available to be drawn against.

The following are the contractual maturities of financial liabilities as at September 30, 2010:

	Carrying Amount	Contractual Cash Flows	0 to 6 months	6 to 12 months	After 12 months
Accounts payable and accrued Liabilities	1,754,203	1,754,203	1,754,203	-	-
Total	1,754,203	1,754,203	1,754,203	-	-

Management believes that future cash flows from operations and availability under existing banking arrangements will be adequate to support these financial liabilities.

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6. SUBSEQUENT EVENT

On November 7, 2010, the Company acquired the North American employee stock option and Transcendent businesses of Computershare Ltd. ("Computershare"). This business consists of the record keeping and administration of employee stock option programs for corporate clients and their employees.

Solium acquired substantially all of Computershare's property, assets and client contracts associated with this business, and will also enter into a transition services agreement under which Computershare will provide certain services and intellectual property for up to five years. At the end of this period, Solium will own all of the intellectual property associated with Computershare's product offerings in this business.

The consideration for the acquisition of the business is U.S.\$11,662,500, payable by the issuance of 7,775,000 common shares of Solium at a price of \$1.50 per share, and additional potential cash consideration of U.S.\$3 million contingent on the revenue generated by Solium from the acquired business in the third year after the acquisition. Under the transition services agreement, Solium will pay Computershare U.S.\$22 million over five years.