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## FOR IMMEDIATE RELEASE

### Solium Capital Inc. Releases 2004 Fourth Quarter and Year-End Results

**CALGARY, February 21, 2005** – Solium Capital Inc. (“Solium” or the “Company”) today announced its financial results for the quarter and year ended December 31, 2004.

The Company completed 2004 with a net loss of \$134,022 compared to a net loss of \$1,518,500 in 2003. The Company reached a major milestone in the third quarter of 2004 with its first quarter of positive net earnings. Profits continued during the fourth quarter, with total net earnings of \$81,110 for the quarter.

Highlights for the quarter and year ended December 31, 2004:

	Three Months Ended December 31			Year Ended December 31		
	2004	2003	% Change	2004	2003	% Change
<b>OPERATIONS</b>						
E-SOAP participants				29,906	20,294	47
Share Purchase participants				102,867	-	N/A
<b>FINANCIAL</b>						
Revenue	\$1,091,340	\$252,329	333	\$3,053,943	\$872,058	250
Expenses	\$1,010,230	\$630,461	60	\$3,187,965	\$2,390,558	33
EBITDA <sup>1</sup>	\$149,694	(\$301,348)	N/A	\$159,532	(\$1,235,758)	N/A
Net earnings (loss)	\$81,110	(\$378,132)	N/A	(\$134,022)	(\$1,518,500)	91
Net earnings (loss) per share						
Basic	\$0.003	(\$0.015)	N/A	(\$0.005)	(\$0.062)	92
Fully diluted <sup>2</sup>	\$0.003	N/A	N/A	N/A	N/A	N/A
Issued and outstanding						
Common shares				28,284,598	25,833,341	9
Fully diluted				31,102,896	30,640,212	2

Notes:

- EBITDA is a non-GAAP financial measure which does not have any standardized meaning prescribed by GAAP (generally accepted accounting principles) and is therefore unlikely to be comparable to similar measures presented by other issuers. EBITDA provides useful information to users as it reflects the net earnings or loss prior to the effect of non-operating expenses such as interest, tax, depreciation and amortization. The following is a reconciliation of EBITDA to net earnings (loss):

	Three months ended December 31		Year ended December 31	
	2004	2003	2004	2003
EBITDA	149,694	(301,348)	159,532	(1,235,758)
Interest expense	(25,000)	(25,000)	(100,000)	(100,000)
Amortization expense	(43,584)	(51,784)	(193,554)	(182,742)
Net earnings (loss)	81,110	(378,132)	(134,022)	(1,518,500)

- Fully diluted earnings per share is calculated using the treasury stock method.

## **Financial results**

- Fourth quarter net earnings in 2004 were \$81,110, an improvement of \$459,242 from a net loss of \$378,132 in the fourth quarter of 2003. A net loss of \$134,022 in fiscal 2004 was an improvement of 91% over a net loss of \$1,518,500 in fiscal 2003. The fourth quarter of 2004 was the second quarter of positive earnings for the Company.
- Fourth quarter gross revenue in 2004 was \$1,091,340, an increase of 333% over \$252,329 in the fourth quarter of 2003. Gross revenue of \$3,053,943 in fiscal 2004 represented an increase of 250% over \$872,058 in fiscal 2003. The overall increase was due to increased E-SOAP license fee revenue, the introduction of Share Purchase license fee revenue in 2004, and an increase in transaction revenue.
- Total expenses in the fourth quarter of 2004 of \$1,010,230 was an increase of 60% over \$630,461 in the fourth quarter of 2003. Total expenses of \$3,187,965 in fiscal 2004 was an increase of 33% over \$2,390,558 in fiscal 2003. The overall increase was due to an increased employee base, bonuses for staff, and increased general and administrative costs.

## **Operations**

- Four corporate clients were implemented onto the E-SOAP application during the fourth quarter, adding approximately 5,800 participants. Ten corporate clients and approximately 10,000 participants were implemented during the year.
- Approximately 3,600 participants were implemented onto the Share Purchase application during the fourth quarter and 102,867 participants were implemented during the year.

## **Other Corporate Matters**

- A \$500,000 credit facility was secured with a Canadian bank on December 30, 2004. As at December 31, 2004, no amounts had been drawn on the credit facility.
- \$500,000 of demand debentures was repaid on December 31, 2004. Subject to the continued financial strength of the Company, Management plans to repay the remaining \$500,000 of the outstanding demand debentures in 2005.

## **Business Prospects and Outlook**

### *Business Prospects*

As at December 31, 2004, the Company had in progress, eight direct sales clients with approximately 6,800 participants being implemented onto E-SOAP and three direct sales clients with approximately 11,000 participants being implemented onto Share Purchase. Implementation of these clients is expected to be completed by the end of the first quarter in 2005.

### *Revenue from GRS Securities Inc.*

Revenues from the arrangement with GRS Securities Inc. are expected to increase by at least \$50,000 per month beginning in March 2005. Revenues collected from GRS Securities Inc. since April 2004 included an adjustment which was attributable to extraordinary service delivery charges incurred by GRS Securities Inc. from a previous system provider. Under Solium's agreement with GRS Securities Inc., a portion of this extraordinary service delivery charge was netted against Solium's share of revenue for the 11-month period.

### *Market Conditions in Share Entitlements Industry*

The share entitlements industry continues to become increasingly more complex. This complexity is viewed by management as being an opportunity for Solium. The Company continues to see an increased usage in the market of alternative stock compensation arrangements such as SARs, tandem SARs, cash units, restricted stock units, performance units and deferred stock units. Enhancements were made in 2003 and 2004 to the Company's applications to allow for the administration of these alternative stock compensation arrangements.

The Share Purchase and group savings industry is substantially larger than the options industry. Solium's Share Purchase application brings about a shift in the administration of share purchase plans from traditional paper-based manual processes, to a real-time, automated, web-based system. Solium plans to continue to aggressively pursue

this market over the next year. It is expected that additional staff will continue to be needed to support the operational infrastructure of Share Purchase clients as more significant clients are implemented onto the system.

### *Geographic Expansion*

The Company intends to expand geographically, first to the United States, and then to the United Kingdom.

The Company has been exploring the establishment of a small business office in New York in 2005 to begin seeking out sales in the United States.

Due to the introduction of new accounting rules making the expensing of stock-based compensation costs in the United States mandatory for reporting periods starting June 1, 2005, the Company expects to see an interest in the E-SOAP product among U.S. companies who find the complex logistics of the expense calculations too onerous to handle through traditional methods. This is similar to the increased interest that was seen in Canada when expensing of stock-based compensation costs became mandatory beginning on January 1, 2004.

### **About Solium Capital Inc.**

Solium Capital Inc. (TSX Venture: SUM) specializes in technology and services for the administration of equity-based incentive and savings programs for public corporations and their employees. Through its web-based applications, Solium is focused on re-defining the product and service standards in this sector. Solium's flagship products are Employee Stock Option Administration Platform (E-SOAP) and Share Purchase. Both are web-based and real-time applications.

*Certain information set forth in this document contains forward-looking statements. By its nature, forward-looking statements are subject to numerous risks and uncertainties which could cause actual results to differ materially from those anticipated by Solium and described in the forward-looking statements contained herein. The risks, uncertainties and other factors, both known and unknown, that could influence actual results may be substantial, which may include, among others, general business and economic conditions, the overall stock market performance, actions from competitors, the corporate governance environment and regulatory reporting requirements for Solium's clients, product capability and acceptance, the Company's ability to generate sufficient cash flow from operations to meet its current and future obligations, and the Company's ability to access external sources of financing if required. Accordingly, no assurances can be given that any of the events anticipated by these forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. These forward-looking statements are made as of the date of this press release, and the Company assumes no obligation to update or revise them to reflect new events or circumstances.*

*The audited annual financial statements for the year ended December 31, 2004 referred to herein and Management's Discussion and Analysis are available on SEDAR at [www.sedar.com](http://www.sedar.com) under Solium Capital Inc., or at [www.solium.com](http://www.solium.com).*

*The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.*

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