



## NEWS RELEASE

### SOLACE SYSTEMS SECURES GROWTH EQUITY FUNDING FROM TANDEM EXPANSION

#### Investment Positions Solace for Accelerated Market Expansion

**OTTAWA, November 2, 2010** – Solace Systems, the leading provider of messaging middleware appliances, today announced that it has closed a round of growth equity financing from Tandem Expansion. Solace has experienced consistent growth over the past several years and plans to use the funds to accelerate its already rapid global expansion. Solace was recently ranked 14<sup>th</sup> in the Deloitte 2010 Canadian Fast 50, a ranking of the 50 fastest growing technology companies in Canada, with a 5 year growth rate of 2296%.

“We are at a pivotal stage in the growth of our company – our products are proven, we’ve established tier-one customers in key markets, and our sales momentum is at an all-time high,” said Craig Betts, CEO of Solace Systems. “We felt this was an ideal time to engage with a quality growth equity investor like Tandem to help us accelerate our sales execution and take full advantage of our market opportunity. We look forward to working with Tandem on our shared vision of building a global, market-leading company.”

As part of the transaction, André Gauthier, managing partner of Tandem, will join Solace’s board of directors.

“Solace has assembled a talented team and established a loyal base of blue-chip customers,” said Gauthier. “Solace solutions are central to the needs of enterprises in many industries as they aim to cope with, and profit from, the rising tide of real-time information that drives their business.”

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#### **About Solace Systems**

Solace Systems ([www.solacesystems.com](http://www.solacesystems.com)) is the leading provider of middleware appliances. Middleware, which has historically been software-based, enables disparate enterprise applications and information systems to share information. By performing this function in purpose-built hardware, Solace products accelerate information flow while reducing the cost and complexity of IT infrastructure. Solace products have been successfully deployed by global leaders in many segments of the financial services market (buy side firms, investment banks, exchanges, and financial information providers) and other markets such as government, telecommunications, transportation and logistics, and utility computing.

#### **About Tandem Expansion**

Tandem Expansion is a private growth capital fund investing in Canadian companies in a variety of technology-based sectors. Tandem acts as a catalyst for growth and expansion by making targeted investments in companies with high growth potential and strong management teams. Tandem’s executive team draws on its extensive expertise in growing successful businesses to add value to its portfolio companies and assure their success.

#### **For Solace Systems**

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