

For Immediate Release

**Pivot Technology Solutions, Inc. Reports First Quarter 2017 Results,
Declares Quarterly Dividend, Announces Management Change**

Toronto, Ontario (May 9, 2017): Pivot Technology Solutions, Inc. (TSX: PTG), (“Pivot” or the “Company”) a full-service information technology provider, today reported financial results for the three months ended March 31, 2017 that were in line with management’s expectations and reflected the impact of seasonality.

First Quarter Overview¹ (in US dollars unless otherwise stated)

- Revenue was \$329.8 million, up 6.8% from \$308.7 million in Q1 2016 on 10.3% growth in services revenue and 6.4% growth in product revenue
- Gross profit was \$34.1 million, down 3.5% from \$35.4 million in Q1 2016
- Gross profit margin was 10.3%, down from 11.5% in Q1 2016
- Adjusted EBITDA² was (\$1.6 million), down from \$1.2 million in Q1 2016
- Cash provided by operating activities was \$52.0 million, up from \$11.6 million a year ago, enabling the Company to reduce amounts owing under its credit facilities by \$47.6 million
- The Company paid a total of \$1.2 million in common share dividends

¹ Results in both periods exclude the results of GTS Technology Solutions, Inc. (“GTS”), formerly known as Austin Ribbon & Computer Supplies, Inc. from the Company’s results of operations (a non IFRS Measure). ² Non-IFRS Measure. See Non-IFRS Measures Section of this news release.

Management Commentary

“Revenue was well ahead of last year as a result of the impact of TeraMach and as volumes within our traditional core business picked up substantially in March,” said Kevin Shank, President and Chief Executive Officer. “This was not enough to offset the impact on the quarter’s gross profit and margin, which were held back by customer mix and the timing of rebates. At the same time, we were pleased to see, as expected, TeraMach’s contribution partially offset a slow start and the effect of seasonality, which always dampens first quarter sales and profits. Overall, the first quarter does not change our view of the future. Longer term, the double-digit growth we’re experiencing in our services business and the tremendous opportunities that TeraMach brings to us in Canada ensure our positioning for the future is on target.”

In commenting on performance, Brian Kyle, Chief Financial Officer said: “As a result of cost savings in place to start 2017, we constrained the growth in SG&A to just 4.5%, which is well below the rate of growth in revenues, even though our cost base this year is inflated by the addition of TeraMach and we continued to invest in our strategies in advance of payback. In the first quarter and throughout 2017, our underlying focus is on materially improving operational efficiencies. This will require ongoing investments but we expect a payback in the form of better cost effectiveness as we deliver revenue growth.”

Dividend Declaration

At its meeting today, the Company's Board of Directors declared a regular quarterly dividend in the prescribed amount of C\$0.04 per common share, payable June 15, 2017 to common shareholders of record May 31, 2017.

First Quarter Results Overview

First quarter 2017 revenue was \$329,794. Including GTS (which contributed to Q1 2016 revenue but not Q1 2017 revenue), revenue decreased 0.9%, or \$2,993 compared to Q1 2016. Excluding GTS, total revenue in the first quarter of \$329,794 increased 6.8% or \$21,137 due primarily to the inclusion of TeraMach, acquired October 1, 2016. The first quarter is typically TeraMach's strongest due to its customer profile, whereas the first quarter is typically the weakest for Pivot's other businesses. While TeraMach's contribution did not offset the full impact of first quarter seasonality on Pivot's consolidated results, it did provide a smoothing effect.

Total product revenue in the first quarter of 2017 was \$291,428. Including GTS in the prior year's results, product revenue decreased \$2,039 or 0.7%. Excluding GTS, product revenue in the first quarter of 2017 was \$17,544 or 6.4% above Q1 2016 due primarily to the inclusion of TeraMach.

Total first quarter service revenues were \$38,366. Including GTS in prior year's results, service revenues declined by \$954 or 2.4%. Excluding GTS, first quarter 2017 service revenues increased \$3,593 or 10.3% compared to the same period in the prior year due to the inclusion of TeraMach and growth in the delivery of professional services. Consistent with its stated strategy, Pivot continued to expand sales of its own service portfolio with year-over-year growth of 16.9%.

In general, changes in revenue quarter over quarter are attributable to a number of factors, including, but not limited to, timing of major projects and replenishments, vendor incentive programs, competitive pressures in the market, timing of service delivery, business seasonality (the first and third quarters are typically weaker than the second and fourth quarters) and the mix in revenue between large and smaller customers. In the first quarter, major customers accounted for 37.5% of revenue compared to 30.3% in Q1 2016 or 32.7% in Q1 2016, excluding GTS.

Total first quarter 2017 cost of sales of \$295,668 increased \$884 or 0.3% year over year. Gross profit of \$34,126 decreased by \$3,877 or 10.2% and gross profit margin was 10.3% compared to 11.4% in 2016. Excluding GTS from last year's results, for the first quarter 2017 as compared to Q1 2016, cost of sales increased 8.2% or \$22,369 compared to Q1 2016; gross profit was \$1,232 or 3.5% lower; and gross margin was 10.3% compared to 11.5% in 2016. Gross profit and margin performance reflected higher sales to major customers, which typically provide a lower overall margin, as well as lower vendor incentives recognized in the quarter. Vendor rebates are timing and product related and vary from quarter to quarter.

First quarter 2017 Adjusted EBITDA (see non-IFRS measures) was a loss of \$1,550 compared to Adjusted EBITDA of \$1,451 in the first quarter of 2016. Excluding GTS, adjusted EBITDA for the first quarter of 2016 was \$1,208. The change primarily reflected a shift in revenue mix in favour of larger customers and lower vendor rebates.

Net loss for the first quarter was \$4,187 or a loss of \$0.10 cents per share compared to net loss of \$3,755 or a loss of \$0.09 cents per share in the first quarter of 2016.

Share Repurchases

During the first quarter, the Company repurchased and cancelled 188,000 shares under its Normal Course Issuer Bid, which expired on March 31, 2017. The Company intends to renew its NCIB. At the end of the first quarter, the Company agreed to repurchase and cancel 920,313 shares from its former directors at a discount to market trading prices. These shares were repurchased in April, 2017, subsequent to the first quarter. As at May 8, 2017, the Company had 40,293,020 common shares issued and outstanding.

Looking Forward

"Our outlook for 2017 is unchanged in that we continue to expect performance in the second half of this year to be stronger than the first half due to seasonality and as our enhancement strategies continue to gain traction," said Mr. Shank. "We are encouraged by improving market conditions in both the US and Canada as they are conducive to ongoing sales growth. As well, we continue to leverage our broader services portfolio by introducing it to more customers and seeing incremental progress week by week. While growing revenues, we will continue to apply our cost containment and efficiency improvement programs to generate higher margins and free cash flow."

Management Change

Pivot also announced today that Brian Kyle has been appointed to the Company's Board of Directors, effective immediately, and that he has announced his intention to resign as Chief Financial Officer to pursue other opportunities.

"I'd like to thank Brian for his contributions as CFO and welcome him to our Board where he can continue to provide his wise counsel in the service of all Pivot stakeholders," said Mr. Shank. "Over the past year, we have upgraded the finance function as we graduated to Canada's senior stock exchange. Given these enhancements and the steady maturation of our commercial transformation, we remain well positioned to deliver on our growth and value creation plan as we search for Brian's successor. In the meantime, with Brian's assistance, there will be an orderly transition in this role."

First Quarter Conference Call

At 8:30 a.m. eastern on May 10, 2017, the Company will host a conference call featuring management's quarterly remarks and follow up question and answer period with analysts. The conference call can be accessed live by dialing 647-427-7450 five minutes prior.

A telephone recording of the call will be available for one week (until midnight May 17, 2017) by dialing 416-849-0833 and entering passcode 17507443 followed by the number sign.

Quarterly Results Materials

The complete report for the first quarter of 2017, including the MD&A and unaudited interim condensed consolidated financial statements, is available at www.pivotts.com.

SELECTED FINANCIAL INFORMATION AND OPERATING RESULTS

For the three months ended March 31,	2017	2016
	(unaudited)	(unaudited)
Revenue	329,794	332,787
Cost of sales	295,668	294,784
Gross profit	34,126	38,003
Employee compensation and benefits	28,204	29,757
Other selling, general and administrative expenses, net	7,472	6,795
Income (loss) before the following:	(1,550)	1,451
Depreciation and amortization	2,811	2,879
Finance expense	1,082	1,038
Change in fair value of liabilities	(107)	683
Other expense	784	1,634
Loss before income taxes	(6,120)	(4,783)
Recovery of income taxes	(1,933)	(1,028)
Loss for the period	(4,187)	(3,755)
Income (loss) for the period attributable to non-controlling interests	(51)	42
Loss for the period attributable to shareholders	(4,136)	(3,797)
Other comprehensive income (loss)		
Items that may be reclassified subsequently to loss for the period:		
Exchange gain on translation of foreign operations	3	-
	3	-
Total comprehensive loss attributable to shareholders	(4,133)	(3,797)
Loss per common share:		
Loss available to common shareholders	(4,136)	(3,797)
Deduct preferred dividends declared	-	-
Total income (loss) available to common shareholders	(4,136)	(3,797)
Basic	\$ (0.10)	\$ (0.09)
Diluted	\$ (0.10)	\$ (0.09)

Non-IFRS Measures

In this news release, management uses certain non-IFRS measures to evaluate the performance of the Company. The term “Adjusted EBITDA” does not have any standardized meaning prescribed within IFRS and therefore may not be comparable to similar measures presented by other companies. Such measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS such as net income. Adjusted EBITDA is defined as gross profit less selling and administrative expenses, and corresponds to income before tax, depreciation and amortization, transaction costs, interest expense, change in fair value of liabilities, goodwill impairment and other income or expense.

Management believes that Pivot shareholders and potential investors use these additional non-IFRS financial measures in making investment decisions and measuring operational results as they demonstrate the Company’s ability to generate liquidity through operating cash flow to fund working capital needs, service outstanding debt and fund future capital expenditures.

A reconciliation of Adjusted EBITDA to net income is shown below. Commencing July 1, 2016, GTS’s results of operations were no longer included in the Company’s results. Where GTS’ results of operations are excluded from Q1 2016 measures in this news release, corresponding measures, including GTS’ results of operations are also presented.

	Three months ended March 31, (unaudited)			
	2017	2016	2017*	2016*
Loss before income taxes	(6,120)	(4,783)	(6,120)	(5,005)
Depreciation and amortization	2,811	2,879	2,811	2,873
Finance costs	1,082	1,038	1,082	1,023
Change in fair value of liabilities	(107)	683	(107)	683
Other expenses	784	1,634	784	1,634
Adjusted EBITDA	(1,550)	1,451	(1,550)	1,208

Notes: Amounts presented are in thousands of U.S. dollars

*Amounts exclude GTS results of operations

About Pivot Technology Solutions

Pivot is a leading information technology infrastructure and services provider to approximately 2,000 customers, including many members of the Fortune 500. With offices throughout North America, Pivot uses its knowledge and local presence to help corporations, governments and educational institutions design, build, implement and maintain advanced computing and communication infrastructure. For more information, visit www.pivotts.com.

Forward Looking Statements

This news release contains statements that, to the extent they are not recitations of historical fact, may constitute "forward-looking statements" within the meaning of applicable Canadian securities laws. Forward-looking statements include statements regarding revenue growth, stronger performance in the second half of 2017, improved cost effectiveness and the assumptions underlying any of the foregoing. Pivot uses words such as "may", "would", "could", "will", "likely", "expect", "believe", "intend", "anticipate" and similar expressions to identify forward-looking statements. Any such forward-looking statements are based on assumptions and analyses made by Pivot in light of its experience and its perception of historical trends, current conditions and expected future developments, including the assumption that the Company's business strategies will positively impact results of operations commencing in the third quarter of 2017, and that TSX approval will be obtained for its NCIB, as well as other factors Pivot believes are appropriate under the relevant circumstances. However, whether actual results and developments will conform to Pivot's expectations and predictions is subject to any number of risks, assumptions and uncertainties. Many factors could cause Pivot's actual results to differ materially from those expressed or implied by the forward-looking statements contained in this news release. These factors include, without limitation: uncertainty in the global economic environment; the possibility that Pivot will be unable to capitalize on opportunities it has identified in the manner and timeframe anticipated, the possibility that Pivot will not be able to successfully sustain growth or growing its profitability and that cost containment measures may not be as effective as anticipated. The "forward-looking statements" contained herein speak only as of the date of this news release and, unless required by applicable law, the Company undertakes no obligation to publicly update or revise such information, whether as a result of new information, future events or otherwise.

For more information, please contact:

Brian Kyle
CFO
Pivot Technology Solutions
investors@pivotts.com
Tel: 416.371.8171

Bill Mitoulas
Pivot Investor Relations
bill.mitoulas@pivotts.com
Tel: 416.479.9547