

For Immediate Release**PIVOT TECHNOLOGY SOLUTIONS, INC. REPORTS SECOND QUARTER
2018 RESULTS, DECLARES DIVIDEND**

Toronto, Ontario (August 14, 2018): Pivot Technology Solutions, Inc. (TSX: PTG), ("Pivot"), a full-service information technology provider, today reported its financial results for the three and six months ended June 30, 2018 that demonstrate solid progress with its commercial transformation. All figures are in US dollars unless otherwise stated.

SECOND QUARTER OVERVIEW

- Revenue was \$381.3 million, down 4.8% from \$400.7 million in Q2 2017
 - Product revenue lower by 6.2%
 - Service revenue higher by 7.5% including 21.9% growth in Pivot direct services
- Gross profit was \$40.6 million (10.6% margin), down 5.5% from \$43.0 million (10.7% margin) in Q2 2017
- Adjusted EBITDA¹ was \$5.1 million, compared to \$7.3 million in Q2 2017
- Net income attributable to shareholders was \$0.2 million (\$0.01 per share) compared to \$2.0 million (\$0.05 per share) in Q2 2017

FIRST HALF OVERVIEW

- Revenue was \$750.6 million, up 3.8% from \$723.2 million in the first six months of 2017
 - Product revenue higher by 4.1%
 - Service revenue higher by 1.6% including 14.9% growth in Pivot direct services
- Gross profit was \$79.9 million, up 3.7% from \$77.1 million a year ago
- Gross profit margin was 10.6% compared to 10.7% a year ago
- Adjusted EBITDA¹ was \$6.6 million, up 15.0% from \$5.7 million a year ago
- Net loss attributable to shareholders was \$2.3 million (loss of \$0.06 per share) compared to a net loss of \$2.1 million (loss of \$0.05 per share) a year ago

¹ Non-IFRS Measure. See Non-IFRS Measures section of this news release.

DIVIDENDS AND NORMAL COURSE ISSUER BID

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 September 14, 2018 to common shareholders of record August 31, 2018. During the second quarter, the Company paid \$1.2 million in common share dividends or C\$0.04 per share. Under its Normal Course Issuer Bid (NCIB) program, the Company purchased and subsequently cancelled 638,100 shares during the second quarter and another 150,300 shares subsequent to quarter end under its renewed NCIB.

MANAGEMENT COMMENTARY

"We grew our Pivot provided services and solutions revenue by 21.9% and the related gross margin increased by \$5.5 million in the quarter compared to the prior year," said Kevin Shank, President and Chief Executive Officer. "The services contribution offset most of the margin pressure experienced in the product side of the business. Our strategy to enhance and grow Pivot's service contribution is on target and producing tangible value."

Pivot continues to invest in its business, including successfully advancing Smart Edge™, an innovative developer platform designed to support enterprise Multi-Access Edge Computing (MEC) solutions. Through use cases to date, the Smart Edge™ solution has demonstrated its ability to improve performance, enhance user experiences and reduce ongoing edge total cost of ownership – all key factors in customer adoption of 5G technologies. Revenue generation continues to be anticipated by year end and is expected to grow with the adoption of 5G. "Commercializing Smart Edge™ is on track and well-supported from a dedicated leadership and investment perspective," said Mr. Shank.

"During the second quarter, we invested in personnel to fuel our services growth but still held the line on SG&A expenses through active cost management, assisted by higher marketing incentives from vendors and lower commissions," said David Toews, Interim Chief Financial Officer. "We will continue controlling our operating expenses and driving efficiencies where possible to offset market-wide product margin pressures."

OPERATING HIGHLIGHTS

During the second quarter, the Company continued to deliver on its key priorities. Among recent strategic highlights, Pivot:

- Fulfilled its largest ever direct services contract of over \$3 million with a consumer packaging customer
- Won a \$5 million direct services agreement with another customer, with work beginning in Q3
- Completed its first Proof of Concept ("POC") for Smart Edge™ and, based on successful customer testing for the past six months, has expanded the initial deployment
- Initiated a POC evaluation with another large customer to provide further validation of Smart Edge™

SECOND QUARTER RESULTS SUMMARY

Second quarter 2018 revenues were \$381.3 million, 4.8% or \$19.4 million below the same period in 2017 primarily due to lower product sales to major customers. Product revenue was \$338.8 million, 6.2% or \$22.4 million below Q2 2017. Second quarter service revenues were \$42.6 million, 7.5% or \$3.0 million higher than a year ago due to an increase in Pivot direct services of 21.9%, partially offset by a 13.1% decline in sales of third-party maintenance and support contracts. The Company continues to implement its services strategy across its customer base with positive momentum.

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 and the mix in revenue between major

and non-major customers. In the second quarter, major customers accounted for 38.0% of revenue compared to 39.8% in Q2 a year ago.

Second quarter 2018 cost of sales was \$340.7 million, 4.8% or \$17.0 million lower than a year ago reflecting lower revenues. Gross profit was \$40.6 million (10.6% margin), down 5.5% or \$2.3 million from \$43.0 million (10.7% margin) in Q2 a year ago. Relatively stable gross margin performance reflected the consolidation of a partially owned business, acquired late last year, and significant improvement in service margins, offset by lower margins on product sales and a decrease in OEM maintenance revenue.

Second quarter selling, general and administrative ("SG&A") expenses were \$35.5 million, 0.4% or \$0.2 million lower than a year ago. SG&A performance reflected increased spending on Smart Edge™, increased headcount to enhance the Company's services portfolio and capabilities and the assumption of the overhead of an acquired business, offset by lower commission expenses, lower marketing costs due to increased vendor incentives and ongoing cost management.

Adjusted EBITDA¹ (see non-IFRS measures) was \$5.1 million compared to \$7.3 million in Q2 2017 due to lower revenue and product margins, partially offset by improved service gross margins and lower SG&A costs. Net income was \$0.3 million or \$0.01 per share compared to net income of \$2.0 million or \$0.05 per share in Q2 2017.

LOOKING FORWARD

Pivot's strategy has several dimensions: i) build on Pivot's core business of selling IT solutions, both products and services; ii) enhance Pivot's service portfolio and capabilities, specifically related to services that Pivot delivers; iii) continue the Company's commercial transformation to expand Pivot's addressable opportunities with existing customers; iv) support customers as they expand internationally; v) improve cost management; vi) address legacy issues; and vii) commercialize and monetize the Smart Edge™ technology.

"For the balance of 2018 our focus is to build on the positive trend we're seeing in our services business and with our commercial transformation. We continue to pursue new profitable revenue streams to offset the downward margin pressure on our products business," said Mr. Shank.

QUARTERLY RESULTS MATERIALS

The Company's outlook is contained in its MD&A for the three and six months ended June 30, 2018, which is available along with the unaudited interim condensed consolidated financial statements, at www.pivotts.com and at www.sedar.com.

SELECTED FINANCIAL INFORMATION AND OPERATING RESULTS

	Three months ended June 30, (unaudited)		Six months ended June 30, (unaudited)	
	2018	2017	2018	2017
Revenue	381,343	400,734	750,609	723,157
Cost of sales	340,738	357,784	670,705	646,081
Gross profit	40,605	42,950	79,904	77,076
Employee compensation and benefits	28,422	28,954	58,017	57,158
Other selling, general and administrative expenses	7,079	6,704	15,285	14,176
Income before the following:	5,104	7,292	6,602	5,742
Depreciation and amortization	2,861	2,766	5,710	5,577
Finance expense	1,773	1,279	3,086	2,361
Change in fair value of liabilities	157	33	197	(74)
Other (income) expense	(408)	646	(507)	1,430
Income (loss) before income taxes	721	2,568	(1,884)	(3,552)
Provision for (recovery of) income taxes	456	610	115	(1,323)
Income (loss) for the period	265	1,958	(1,999)	(2,229)
Income (loss) for the period attributable to non-controlling interests	51	(72)	256	(123)
Income (loss) for the period attributable to shareholders	214	2,030	(2,255)	(2,106)
Other comprehensive income (loss)				
Items that may be reclassified subsequently to income (loss) for the period:				
Exchange gain (loss) on translation of foreign operations	(24)	1	(3)	4
	(24)	1	(3)	4
Total comprehensive income (loss)	241	1,959	(2,002)	(2,225)
Total comprehensive income (loss) attributable to shareholders	190	2,031	(2,258)	(2,102)

Income (loss) per common share:

Income (loss) available to common shareholders	214	2,030	(2,255)	(2,106)
Basic	\$ 0.01	\$ 0.05	\$ (0.06)	\$ (0.05)
Diluted	\$ 0.01	\$ 0.05	\$ (0.06)	\$ (0.05)
Total assets	505,588	519,117	505,588	519,117
Total current non-financial liabilities	31,717	35,084	31,717	35,084
Cash dividends declared on common shares	1,231	1,194	2,490	2,439

Note: Amounts presented are in thousands of U.S. dollars, except per share amounts

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 employee compensation and benefits, other selling, general and administrative expenses, and corresponds to income before income tax, depreciation and amortization, finance expense, change in fair value of liabilities, and other (income) expense.

Management believes Adjusted EBITDA is an important indicator as it excludes certain items that are non-cash expenses, items that cannot be influenced by management in the short term, and items that do not impact core operating performance, demonstrating the Company’s ability to generate liquidity through operating cash flow to fund working capital needs, service outstanding debt and fund future capital expenditures. Adjusted EBITDA is used by some investors and analysts for the purposes of valuing an issuer. The intent of Adjusted EBITDA is to provide additional useful information to investors and analysts and is also used by management as an internal performance measurement. A reconciliation of Adjusted EBITDA to net income is contained in the MD&A (see “Non-IFRS Measures”).

SECOND QUARTER CONFERENCE CALL

At 8:30 a.m. eastern on Wednesday, August 15, 2018, 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 (416) 764 8688 five minutes prior to the scheduled start time.

ABOUT PIVOT TECHNOLOGY SOLUTIONS

Pivot is an industry-leading information technology services and solutions provider to many of the world's most successful companies, including members of the Fortune 1000, as well as governments and educational institutions. By leveraging its extensive OEM partnerships and its own fulfillment, professional, deployment, workforce and managed services, Pivot supports the IT infrastructure needs of its clients. For more information, visit www.pivotts.com.

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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 the commercialization of Smart Edge™ and related revenue generation and value creation, long-term growth, the payment of quarterly dividends in 2018, 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 market acceptance of the Smart Edge™ solution and growth with the adoption of 5G technologies, Pivot's continued financial liquidity to invest in its business and pay quarterly dividends, 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 maintain its liquidity, and the risk that testing and operational results from the Smart-Edge platform will not meet expectations and fail to generate revenue in 2018. 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.