Interim Condensed Consolidated Financial Statements

Pivot Technology Solutions, Inc.

For the Three and Six Months Ended
June 30, 2018 and 2017

(Unaudited)

(Expressed in Thousands of U.S. Dollars)

Pivot Technology Solutions, Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

[in thousands of U.S. dollars]

	June 30, 2018	December 31, 2017
	[unaudited]	
ASSETS		
Current		
Cash and cash equivalents	**4,284**	5,248
Accounts receivable	**293,934**	292,502
Income taxes recoverable	**1,931**	-
Inventories	**73,570**	95,020
Deferred contract costs	**21,870**	22,800
Other current assets	**5,335**	3,142
Total current assets	**400,924**	418,712
Property, plant and equipment, net	**7,149**	6,823
Goodwill	**45,279**	45,404
Intangible assets	**29,203**	33,395
Deferred income taxes (note 8)	**11,322**	11,132
Deferred contract assets	**10,871**	11,155
Other non-current assets	**840**	1,262
Total assets	**505,588**	527,883
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank overdraft	**18,309**	23,049
Accounts payable and accrued liabilities	**266,423**	300,377
Income taxes payable	**1,206**	315
Deferred revenue and customer deposits	**6,091**	7,990
Deferred contract revenue	**24,420**	25,642
Other financial liabilities (note 4)	**160,694**	136,897
Total current liabilities	**477,143**	494,270
Other financial liabilities (note 4)	**2,497**	2,443
Deferred tax liabilities	**739**	696
Deferred contract revenue	**11,865**	12,108
Other non-current liabilities	**935**	842
Total liabilities	**493,179**	510,359
Shareholders' equity		
Share capital (note 5)	**84,782**	85,523
Contributed surplus	**2,853**	2,735
Foreign exchange translation reserve	**34**	37
Accumulated deficit	**(78,360)**	(73,615)
Equity attributable to owners of the parent	**9,309**	14,680
Non-controlling interest	**3,100**	2,844
Total shareholders' equity	**12,409**	17,524
Total liabilities and shareholders' equity	**505,588**	527,883

See accompanying notes

On behalf of the Board:

"John Anderson"	*"Kevin Shank"*
John Anderson	**Kevin Shank**
Director	President, CEO and Director

Pivot Technology Solutions, Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

[in thousands of U.S. dollars except per share amounts]

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	**2018**	2017
Revenue (note 9)	**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 (note 11)	**157**	33	**197**	(74)
Other expense (income) (note 10)	**(408)**	646	**(507)**	1,430
Income (loss) before income taxes	**721**	2,568	**(1,884)**	(3,552)
Provision for (recovery of) income taxes (note 8)	**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 (note 5)**:**				
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)

See accompanying notes

Pivot Technology Solutions, Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

[in thousands of U.S. dollars]

	Common Stock	Treasury Stock	Contributed Surplus	Non-Controlling Interest	Foreign Currency Translation Reserve	Accumulated Deficit	Total
Balance, December 31, 2016	86,983	-	2,416	2,275	2	(62,585)	**29,091**
Share-based compensation	-	-	230	-	-	-	**230**
Share repurchases	(1,343)	-	-	-	-	-	**(1,343)**
Common share dividends declared (note 5)	-	-	-	-	-	(2,439)	**(2,439)**
Stock options exercised	198	-	(61)	-	-	-	**137**
Gain on translation of foreign operations	-	-	-	-	4	-	**4**
Loss for the period	-	-	-	(123)	-	(2,106)	**(2,229)**
Balance, June 30, 2017	**85,838**	**-**	**2,585**	**2,152**	**6**	**(67,130)**	**23,451**
Balance, December 31, 2017	**85,523**	**-**	**2,735**	**2,844**	**37**	**(73,615)**	**17,524**
Share-based compensation	-	-	239	-	-	-	**239**
Share repurchases	(963)	-	-	-	-	-	**(963)**
Cash settlement of RSUs	-	-	(56)	-	-	-	**(56)**
Options exercised	222	-	(65)	-	-	-	**157**
Common share dividends declared (note 5)	-	-	-	-	-	(2,490)	**(2,490)**
Loss on translation of foreign operations	-	-	-	-	(3)	-	**(3)**
Income (loss) for the period	-	-	-	256	-	(2,255)	**(1,999)**
Balance, June 30, 2018	**84,782**	**-**	**2,853**	**3,100**	**34**	**(78,360)**	**12,409**

See accompanying notes

Pivot Technology Solutions, Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

[in thousands of U.S. dollars]

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	**2018**	2017
OPERATING ACTIVITIES				
Income (loss) for the period	**265**	1,958	**(1,999)**	(2,229)
Add (deduct) items not involving cash				
Depreciation and amortization	**2,861**	2,766	**5,710**	5,577
Share-based compensation (note 6)	**119**	106	**239**	230
Loss on disposal of property, plant and equipment	**12**	9	**26**	9
Provision for (recovery of) receivables	**(24)**	(405)	**14**	(405)
Deferred income taxes (note 8)	**(133)**	(149)	**(115)**	425
Amortization of loan fees	**81**	75	**162**	155
Change in fair value of liabilities (note 11)	**157**	33	**197**	(74)
Changes in non-cash working capital balances (note 12)	**(33,700)**	(50,564)	**(18,353)**	2,150
Cash provided by (used in) operating activities	**(30,362)**	(46,171)	**(14,119)**	5,838
INVESTING ACTIVITIES				
Payments made on contingent consideration	**(100)**	-	**(200)**	-
Proceeds from sale of property, plant and equipment	**-**	-	**-**	2
Capital expenditures	**(1,654)**	(993)	**(2,024)**	(1,700)
Other intangible assets	**-**	2	**(1)**	-
Cash used in investing activities	**(1,754)**	(991)	**(2,225)**	(1,698)
FINANCING ACTIVITIES				
Net change in debt facilities	**31,736**	49,019	**23,848**	1,384
Net change in flooring arrangements	**(248)**	240	**(364)**	(911)
Net change in bank overdraft	**3,074**	1,998	**(4,740)**	624
Stock options exercised	**73**	137	**157**	137
Cash settlement of RSUs	**-**	-	**(56)**	-
Common share dividends paid	**(1,231)**	(1,194)	**(2,490)**	(2,439)
Common share repurchases	**(963)**	(1,115)	**(963)**	(1,343)
Treasury share repurchases	**-**	77	**-**	-
Cash provided by (used in) financing activities	**32,441**	49,162	**15,392**	(2,548)
Net increase (decrease) in cash and cash equivalents during the period	**325**	2,000	**(952)**	1,592
Cash and cash equivalents, beginning of period	**3,983**	7,665	**5,248**	8,153
Effect of foreign exchange fluctuations on cash held	**(24)**	(7)	**(12)**	(87)
Cash and cash equivalents, end of period	**4,284**	9,658	**4,284**	9,658

See accompanying notes

1. CORPORATE INFORMATION

Pivot Technology Solutions, Inc. ("Pivot" or the "Company") is located in Ontario, Canada, is publicly listed on the Toronto Stock Exchange ("TSX") and trades under the symbol "PTG".

The Company has the following wholly owned subsidiaries: Pivot Acquisition Corporation ("PAC"); ACS Holdings (Canada) Inc.; Pivot Technology Solutions, Ltd., ("PTSL"); Pivot Research Ltd.; Pivot Shared Services Ltd. ("PSSL"); Pivot of the Americas S.A. de C.V. ("POTA"); ACS (US) Inc. ("ACS"); New ProSys Corp. ("ProSys"), Sigma Technology Solutions, Inc. ("Sigma"), ARC Acquisition (US), Inc. ("ARC"), Smart-Edge.com, Inc. ("Smart Edge"), TeraMach Technologies Inc. and its subsidiaries, 1955714 Ontario Inc., Infoptic Technology Inc., and TeraMach Systems Inc. (collectively, "TeraMach"). In addition, the Company has a 46.4% owned consolidated affiliate, ProSys Information Systems, Inc. ("Old ProSys") and a 40% owned consolidated affiliate, Applied Computer Solutions, Inc. ("Applied").

The unaudited interim condensed consolidated financial statements of the Company for the three and six-month periods ended June 30, 2018 and 2017 were authorized for issue in accordance with a resolution of the Company's Board of Directors on August 14, 2018.

The Company seeks to create shareholder value by providing mission critical IT products and services to the world's leading companies. The Company's operating strategy is designed to help clients contain IT operations and maintenance costs, while maximizing the value of their IT assets. To fuel this strategy, the Company maintains multi-vendor hardware, software and cloud solutions that it resells, and then leverages its own resources and expertise to offer end-to-end services. By employing this strategy, the Company can provide a single point of contact and accountability, and a consistent delivery of customized and specialized IT services and lifecycle product support across any platform.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB").

Certain amounts have been reclassified from the unaudited interim condensed consolidated financial statements previously presented to conform to the presentation of these unaudited interim condensed consolidated financial statements in accordance with IFRS.

The unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2017, except for the adoption of new standards effective as of January 1, 2018. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amended accounting pronouncements adopted in 2018

The Company adopted new amendments to the following accounting standards effective for our interim and annual consolidated financial statements commencing January 1, 2018. These changes did not have a material impact on our financial results.

- IFRS 2, Share-Based Payment
- IFRIC 22, Foreign Currency Transactions and Advance Consideration

New accounting standards

Pivot applied, for the first time, IFRS 15 Revenue from Contracts with Customers ("IFRS 15") and IFRS 9 Financial Instruments ("IFRS 9") that require assessment and potential restatement of previous financial statements, where transition adjustments exist. As required by IAS 34, the nature and effect of these changes are disclosed below.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Pivot adopted IFRS 15 using the modified retrospective method of adoption. There was no quantitative impact from the adoption of IFRS 15.

The Company generates revenue from distributing storage devices and systems as well as computer products and peripherals. The Company also provides value-added services such as design, integration, installation, maintenance and other consulting services, consolidated with a variety of storage and computer hardware and software products.

The Company assesses its revenue arrangements in order to determine if it is acting as a principal or agent. In arrangements where the Company is acting as agent, revenue is recorded net of the related costs.

The following specific recognition criteria must also be met before revenue is recognized:

Product sales

Sales of products to customers generally include one performance obligation. Pivot has concluded that the revenue from sale of products should be recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the product. Therefore, the adoption of IFRS 15 did not have an impact on the timing or amount of revenue recognition.

Service revenue

Revenue is recognized when receivable under a contract following delivery of a service or in line with the stage of the work completed. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated hours for each contract.

At the time the Company enters into contracts with third-party service providers or vendors, the Company determines whether it acts as a principal in the transaction and controls the service prior to its transfer to the customer or if it is simply acting as an agent or broker. Where the Company is not the primary obligor for the maintenance contracts performed by third parties, these arrangements do not meet the criteria for gross revenue presentation and, accordingly, are recorded on a net basis. Revenue on maintenance contracts performed by internal resources is recognized on a gross basis rateably over the term of the maintenance period.

When a single sales transaction requires the delivery of more than one product or service, the revenue recognition criteria are applied to the separately identifiable performance obligations within the contract. A performance obligation is considered to be separately identifiable if the product or service delivered is capable of being distinct on its own and is distinct within the context of the contract. The amount recognized as revenue is based on the relative stand-alone selling price of each separately identifiable performance obligation in the contract.

As required for the unaudited interim condensed consolidated financial statements, the Company disaggregated revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Company also disclosed information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment. Refer to note 9 for the disclosure on disaggregated revenue.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39") for annual periods beginning on or after January 1, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

Previously under IAS 39, the Company's financial assets and financial liabilities included cash and cash equivalents, accounts receivable, bank overdraft, accounts payable and accrued liabilities, secured borrowings, contingent consideration liabilities, and interest rate swap liability. Except for the contingent consideration and interest rate swap, which were recorded at fair value through profit or loss, all other instruments were measured at amortized cost under IAS 39. Under IFRS 9, the Company has classified cash and cash equivalents and accounts receivable based on the business model and contractual cash flow characteristics of the instruments, which remained unchanged and continues to be held at amortized cost. Similarly, the classification and measurement of each of the financial liabilities have not changed. There was no transitional impact as a result of the adoption of the new classification and measurement requirements.

The Company has previously used the incurred loss approach in the accounting for impairment losses for financial assets held at amortized cost. Upon transition to IFRS 9, the Company is using a forward-looking expected credit loss approach. For its accounts receivable and any contract assets, the Company has applied the simplified approach and has calculated lifetime expected credit losses based on the Company's historical credit loss experience and consideration for forward-looking factors specific to the debtors and the economic environment. Cash equivalents held at amortized cost are considered to be low credit risk investments and any expected credit loss is determined based on the 12-month expected credit loss approach. There was no transitional impact as a result of the adoption of the new impairment requirements.

As the Company does not currently use hedge accounting, there was no impact from that perspective.

Standards issued but not yet effective

Standards issued but not yet effective up to the date of the issuance of the Company's unaudited interim condensed consolidated financial statements are listed below. This listing is of standards issued which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

IAS 12 Income tax consequences of payments on instruments classified as equity (Amendments to IAS 12)

IAS 12, Income Taxes ("IAS 12") requires a company to recognize the tax consequences of dividends in profit or loss in some circumstances.

The amendments to IAS 12 clarify that a company accounts for all income tax consequences of dividends in the same way, regardless of how the tax arises, and are effective for annual periods beginning on or after January 1, 2019, with early application permitted. The Company has not yet determined the impact on its consolidated financial statements.

IFRS 16 Leases

On January 13, 2016, the IASB published a new standard, IFRS 16, "Leases". The new standard will eliminate the distinction between operating and finance leases and will bring most leases on the balance sheet for lessees. This standard is effective for annual reporting periods beginning on or after January 1, 2019 and is to be applied retrospectively. The Company has not yet determined the impact on its consolidated financial statements.

International Financial Reporting Interpretations Committee ("IFRIC") 23 Uncertainty over Income Tax Treatments

In June 2017, the IASB issued IFRIC 23, Uncertainty over Income Tax Treatments ("IFRIC 23"), to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on or after January 1, 2019. The Company is currently assessing the impact of IFRIC 23 on its consolidated financial statements.

4. OTHER FINANCIAL LIABILITIES

	June 30, 2018	December 31, 2017
Current		
Secured borrowings, net of deferred loan costs	**158,589**	134,579
Contingent consideration	**1,967**	1,813
Interest rate swap	**138**	505
	160,694	136,897
Non-current		
Contingent consideration	**2,497**	2,443
	2,497	2,443
	163,191	139,340

Secured borrowings

In connection with the Company's $225,000 senior secured credit facility with JPMorgan Chase Bank, N.A., the Company incurred finance costs which have been capitalized and are being amortized over the life of the credit agreement. Amounts owing under the Company's revolving credit facility were $159,329 and $135,481 as at June 30, 2018 and December 31, 2017, respectively. The outstanding balance is shown net of deferred loan costs of $740 and $902, as at June 30, 2018 and December 31, 2017, respectively, in current other financial liabilities in the unaudited interim condensed consolidated statements of financial position. Average undrawn availability on the existing, secured credit facility was $78,484 for the six-month period ended June 30, 2018 and $69,762 for the year ended December 31, 2017

Interest rate swap

The changes in the fair value of the interest rate swap were recorded as a change in fair value of liabilities in the unaudited interim condensed consolidated statements of income (loss) and comprehensive income (loss). Interest incurred under the Swap totaled $122 and $232 for the three-months ended June 30, 2018 and 2017, respectively. Interest incurred under the Swap totaled $281 and $486 for the six-months ended June 30, 2018 and 2017, respectively. As at June 30, 2018 and December 31, 2017, the fair value of the Swap was determined to be $138 and $505, respectively, which represents the cost that would be incurred by the Company to exit the Swap, due to fluctuations in future interest rate expectations.

Contingent consideration

On October 1, 2016, the Company acquired all of the issued and outstanding share capital of TeraMach. As part of the asset purchase agreement with TeraMach, contingent consideration had been agreed. The payments are dependent on the business achieving certain performance targets during the four consecutive twelve-month periods ending September 30, 2020. At the date of acquisition, the fair value of the contingent liability was determined to be $3,324. As at June 30, 2018 and December 31, 2017, the fair value of the consideration was determined to be $3,686 and $3,326, respectively. The Company recorded a charge of $264 and $244 related to the change in fair value of the consideration during the three-month periods ended June 30, 2018 and 2017, respectively. The Company recorded a charge of $516 and $474 related to the change in fair value of the consideration during the six-month periods ended June 30, 2018 and 2017, respectively. The contingent consideration balance was reduced by a foreign currency translation adjustment of $68 during the three-month periods ended June 30, 2018 and was increased by a foreign currency translation adjustment of $100 during the three-months ended June 30, 2017. The contingent consideration balance was reduced by a foreign currency translation adjustment of $156 during the six-months ended June 30, 2018, and was increased by a foreign currency translation adjustment of $134 during the six-months ended June 30, 2017.

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

The undiscounted value of the remaining consideration to be paid, assuming all contingencies are met, is C$7,000. Payments of the remaining consideration are required to be made within five business days of Board approval of the Company's annual financial statements. No payments were made during the three or six-months ended June 30, 2018 and 2017.

On July 1, 2017, the Company acquired certain customer accounts, contracts, agreements and other arrangements from Cloudscapes Consulting, Inc. ("Cloudscapes"). As part of the purchase agreement with Cloudscapes, the Company is obligated to pay up to $100 per quarter for 11 quarters and a bonus of $150, commencing on October 1, 2017 and ending on April 30, 2020. All payments are based on the achievement of certain gross margin targets. At the date of acquisition, the fair value of the contingent liability was determined to be $1,003. As at June 30, 2018 and December 31, 2017, the fair value of the consideration was determined to be $778 and $930. The Company recorded a charge of $26 and $48 related to the change in fair value of the consideration during the three and six-month periods ended June 30, 2018, respectively. The undiscounted value of the remaining consideration to be paid, assuming all contingencies are met, is $950. Payments of $100 and $200 were made during the three and six-month periods ended June 30, 2018, respectively.

5. SHARE CAPITAL

As at June 30, 2018, the issued share capital amounted to $84,782. An unlimited number of both common and preferred shares, with no par value, are authorized for issuance. The changes in issued share capital for the six-month period ended June 30, 2018 were as follows:

	Common shares #
As at January 1, 2018	40,229,930
Share repurchases	(638,100)
Options exercised	123,959
As at June 30, 2018	**39,715,789**

Note: Share amounts are not rounded

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

As at June 30, 2017, the issued share capital amounted to $85,838. An unlimited number of both common and preferred shares, with no par value, are authorized for issuance. The changes in issued share capital for the six-month period ended June 30, 2017 were as follows:

	Common shares #
As at January 1, 2017	41,463,333
Share repurchases	(1,170,313)
Options exercised	99,750
As at June 30, 2017	**40,392,770**

Note: Share amounts are not rounded

No preferred shares were issued or outstanding as at June 30, 2018 or December 31, 2017.

Normal course issuer bid

On March 30, 2016, the Company obtained the approval of the TSX Venture Exchange ("TSX-V") to implement a Normal Course Issuer Bid ("NCIB") for its common shares. On November 28, 2016, the TSX confirmed its acceptance of the Company's existing NCIB upon the Company's graduation to the TSX. Under the NCIB, the Company was allowed to acquire up to approximately 5% of the Company's issued and outstanding common shares. The NCIB for the common shares of the Company terminated on March 31, 2017. All common shares acquired under the NCIB were acquired at the market price of the securities at the time of acquisition. The common shares so acquired were cancelled. During the three-month period ended March 31, 2017, 250,000 common shares were acquired under the NCIB. 188,100 of these shares had been cancelled as at March 31, 2017 and 61,900 shares were held in treasury until their cancellation on April 3, 2017.

On June 19, 2017, the Company obtained regulatory approval to proceed with a second NCIB to repurchase up to 3,820,852, or approximately 10% of the Company's issued and outstanding common shares at prevailing market prices during the twelve months ending June 21, 2018. On June 20, 2018, the Company received regulatory approval to proceed with a third NCIB to repurchase up to 3,789,551, or approximately 10% of the Company's issued and outstanding common shares at prevailing market prices during the twelve months ending June 21, 2019. During the three and six-month periods ended June 30, 2018, 638,100 common shares were acquired and subsequently cancelled under its NCIB programs.

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

Income (loss) per share

Basic net income (loss) per share is based on the weighted average number of common shares outstanding during the period. Diluted income (loss) per share assumes the weighted average dilutive effect of common share equivalents outstanding during the period applied to the Company's basic income per share. Common share equivalents represent potentially dilutive stock options, restricted stock units ("RSU" or "unit") and warrants. Common share equivalents are excluded from the computation in periods in which they have an anti-dilutive effect.

The following table summarizes the basic and diluted income (loss) per share and the basic and diluted weighted average number of common shares outstanding:

	Three months ended June 30,		**Six months ended June 30,**	
	2018	2017	**2018**	2017
Income (loss) for the period	**214**	2,030	**(2,255)**	(2,106)
Weighted average number of common shares outstanding – basic	**40,071,494**	40,423,833	**40,182,543**	40,889,106
Effect of dilutive potential common shares	**1,203,548**	1,195,832	**-**	-
Weighted average number of common common shares outstanding – diluted	**41,275,042**	41,619,665	**40,182,543**	40,889,106
Income (loss) per share				
Basic	**$0.01**	$0.05	**$(0.06)**	$(0.05)
Diluted	**$0.01**	$0.05	**$(0.06)**	$(0.05)

Note: Share and per share amounts are not rounded

For the six-month periods ended June 30, 2018 and 2017, the basic loss per share calculated amount is the same as the fully diluted loss per share amount as the effect of any outstanding options or warrants would be anti-dilutive as the amount available to common shareholders was a net loss.

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

Dividends declared and paid

Common share dividends declared and paid during the six-month period ended June 30, 2018 were as follows:

Declaration Date	Record Date	Distribution Date	Per share amount	Total dividend
February 20, 2018	February 28, 2018	March 15, 2018	C$0.0400	C$1,612
May 14, 2018	May 31, 2018	June 15, 2018	C$0.0400	C$1,596

Note: Per share amounts are not rounded

Common share dividends declared and paid during the six-month period ended June 30, 2017 were as follows:

Declaration Date	Record Date	Distribution Date	Per share amount	Total dividend
February 16, 2017	March 3, 2017	March 15, 2017	C$0.0400	C$1,654
May 9, 2017	May 31, 2017	June 15, 2017	C$0.0400	C$1,612

Note: Per share amounts are not rounded

6. SHARE-BASED PAYMENTS

The Company has adopted an incentive share option plan under which directors, officers, employees and consultants of the Company and its subsidiaries are eligible to receive stock options. The effective date of the plan was June 17, 2014. The plan was amended on May 16, 2016 and approved by shareholders on June 21, 2016. The aggregate number of common shares to be issued, upon exercise of all options granted under the plan, shall not exceed 10% of the issued common shares of the Company, at the time the options were granted. Employee options granted under the plan generally have a term of five or ten years and vest either immediately or in specified increments, which is typically two to three years. The exercise price of each option is subject to Board approval but shall not be less than the market price at the time of grant.

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

A summary of the status of the Company's stock option plan as at June 30, 2018 and 2017 and during the six-month periods then ended is as follows:

	2018		**2017**	
	Number	**Weighted average exercise price**	**Number**	**Weighted average exercise price**
Options outstanding at January 1	**1,946,875**	**C$1.79**	2,162,500	C$1.63
Options granted	**-**	**-**	425,000	C$2.47
Options forfeited	**(29,166)**	**C$1.60**	(200,000)	C$1.81
Options exercised	**(123,959)**	**C$1.60**	(99,750)	C$1.79
Options outstanding at June 30	**1,793,750**	**C$1.81**	2,287,500	C$1.76
Options exercisable at June 30	**1,507,082**	**C$1.68**	1,297,929	C$1.60

Note: Share and per share amounts are not rounded

The range of exercise prices, the weighted average exercise prices and the weighted average remaining contractual life of the Company's options are as follows:

June 30, 2018

Options Outstanding				**Options Exercisable**	
Exercisable price C$	**Number outstanding**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price C$**	**Number exercisable**	**Weighted average remaining contractual life (years)**
1.60	1,343,750	7.97	1.60	1,343,750	7.97
1.73	25,000	8.48	1.73	25,000	8.48
2.47	415,000	4.00	2.47	138,332	4.00
2.61	10,000	4.17	2.61	-	-

June 30, 2017

Options Outstanding				**Options Exercisable**	
Exercisable price C$	**Number outstanding**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price C$**	**Number exercisable**	**Weighted average remaining contractual life (years)**
1.60	1,843,750	8.97	1.60	1,279,179	8.97
1.73	25,000	9.48	1.73	18,750	9.48
2.47	425,000	5.00	1.96	-	-

Note: Share and per share amounts are not rounded

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

Restricted stock units

The Company has adopted a restricted share plan that allows the Company to award RSUs to directors, officers, employees and consultants upon such conditions as the Board may establish. The effective date of the plan was June 17, 2014. The plan was amended on May 16, 2016 and approved by shareholders on June 21, 2016. Shares issued pursuant to any RSU award may be made subject to vesting conditions based upon the satisfaction of service requirements, restrictions, time periods or other conditions established by the Board. The maximum aggregate number of shares that may be issued under the restated plan pursuant to the exercise of RSUs shall not exceed 1,250,000 shares. The maximum number of common shares that may be reserved and set aside for issuance upon the grant or exercise of RSU or stock option awards under the plan is 10% of the Company's common shares issued and outstanding from time to time on a non-diluted basis. The fair value of RSUs is measured on the grant date based on the closing fair market value of the Company's common stock. The resulting cost is recognized over the period during which an employee is required to provide service in exchange for the awards, usually the vesting period which is generally one to three years for RSUs.

A summary of the status of the Company's RSU plan as at June 30, 2018 and 2017 and during the six-month periods then ended is as follows:

	2018		**2017**	
	Number	**Weighted average grant date fair value**	**Number**	**Weighted average grant date fair value**
Units outstanding at January 1	**355,000**	**C$2.47**	-	-
Units granted	**-**		385,000	C$2.47
Units vested	**(116,667)**	**C$2.47**	-	-
Units forfeited	**-**		-	-
Units unvested at June 30	**238,333**	**C$2.47**	385,000	C$2.47
Units outstanding at June 30	**355,000**	**C$2.47**	385,000	C$2.47

Note: Share and per share amounts are not rounded

The 116,667 RSUs vested on June 30, 2018 were settled in shares, net of applicable taxes, and 78,354 shares were released to participants in July 2018. As at June 30, 2018 and 2017, there was $409 and $655, respectively, of total unrecognized compensation cost related to unvested RSU arrangements. This expense is expected to be recognized over a weighted average period of 2 years.

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

Share-based compensation expense

Total share-based compensation expense is recognized in employee compensation and benefits in the unaudited interim condensed consolidated statements of income (loss) and comprehensive income (loss). A reconciliation of the share-based compensation expense is provided below:

	Three months ended June 30,		**Six months ended June 30,**	
	2018	2017	**2018**	2017
Share-based compensation on options	**64**	106	**129**	230
Share-based compensation on RSUs	**55**	-	**110**	-
Total share-based compensation expense	**119**	106	**239**	230

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

7. FINANCIAL INSTRUMENTS

The following tables set out the classification of financial and non-financial assets and liabilities:

As at June 30, 2018	Fair value through profit or loss	Amortized cost	Non-financial	Total carrying amount
Cash and cash equivalents	4,284	-	-	**4,284**
Accounts receivable	-	293,934	-	**293,934**
Inventories	-	-	73,570	**73,570**
Intangible assets	-	-	29,203	**29,203**
Goodwill	-	-	45,279	**45,279**
Deferred contract costs	-	-	32,741	**32,741**
Other non-financial assets	-	-	26,577	**26,577**
Total assets	**4,284**	**293,934**	**207,370**	**505,588**
Bank overdraft	18,309	-	-	**18,309**
Accounts payable and accrued liabilities	-	266,423	-	**266,423**
Deferred contract revenue	-	-	36,285	**36,285**
Other financial liabilities	4,602	158,589	-	**163,191**
Other non-financial liabilities	-	-	8,971	**8,971**
Total liabilities	**22,911**	**425,012**	**45,256**	**493,179**

As at December 31, 2017	Fair value through profit or loss	Amortized cost	Non-financial	Total carrying amount
Cash and cash equivalents	5,248	-	-	5,248
Accounts receivable	-	292,502	-	292,502
Inventories	-	-	95,020	95,020
Intangible assets	-	-	33,395	33,395
Goodwill	-	-	45,404	45,404
Deferred contract costs	-	-	33,955	33,955
Other non-financial assets	-	-	22,359	22,359
Total assets	5,248	292,502	230,133	527,883
Bank overdraft	23,049	-	-	23,049
Accounts payable and accrued liabilities	-	300,377	-	300,377
Deferred contract revenue	-	-	37,750	37,750
Other financial liabilities	4,761	134,579	-	139,340
Other non-financial liabilities	-	-	9,843	9,843
Total liabilities	27,810	434,956	47,593	510,359

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

Fair values

The following tables present information related to the Company's financial assets and liabilities measured at fair value on a recurring basis and the level within the guidance hierarchy in which the fair value measurements fall as at June 30, 2018 and December 31, 2017:

	Fair value as at June 30, 2018			
	Level 1	Level 2	Level 3	Total
Interest rate swap	-	138	-	**138**
Contingent consideration	-	-	4,464	**4,464**
	-	**138**	**4,464**	**4,602**

	Fair value as at December 31, 2017			
	Level 1	Level 2	Level 3	Total
Interest rate swap	-	505	-	505
Contingent consideration	-	-	4,256	4,256
	-	505	4,256	4,761

The fair value of all other financial instruments carried within the Company's unaudited interim condensed consolidated financial statements is not materially different from their carrying amount.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Derivative financial instruments are recorded in Level 2. The fair value of the Swap is calculated as the present value of the estimated future cash flows based on observable yield curves.

If one or more of the significant inputs are not based on observable market data, the instrument is included in Level 3. Contingent consideration payable was the only instrument recorded as Level 3 as the amount payable was not based on observable inputs. The fair value of the contingent consideration was calculated using forecasts based on financial plans prepared by management covering the periods under agreement, using a discount rate of 26.0%. The Company recorded a charge of $290 and $244 related to the change in fair value of the contingent consideration for the three-month periods ended June 30, 2018 and 2017, respectively. The Company recorded a charge of $564 and $474 related to the change in fair value of the contingent consideration for the six-month periods ended June 30, 2018 and 2017, respectively.

There have been no transfers among any levels during the period.

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

8. INCOME TAXES

Significant components of the provision for (recovery of) income taxes are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	**2018**	2017
Current tax expense (benefit)	**589**	759	**230**	(1,748)
Deferred tax expense (benefit)	**(133)**	(149)	**(115)**	425
	456	610	**115**	(1,323)

9. REVENUE

Disaggregation of revenue

Types of goods and services:

Three month period ended June 30, 2018	**ACS**	**ARC**	**ProSys**	**Sigma**	**TeraMach**	**Shared Services**	**Total**
Hardware sales	102,297	1,847	163,684	26,436	5,707	(3)	299,968
Other sales	11,893	-	19,182	5,904	1,836	(1)	38,814
Product revenue	**114,190**	**1,847**	**182,866**	**32,340**	**7,543**	**(4)**	**338,782**
Pivot provided services	4,572	-	15,398	5,745	2,715	3	28,433
Third-party maintenance contracts	3,032	-	9,185	1,664	247	-	14,128
Service revenue	**7,604**	**-**	**24,583**	**7,409**	**2,962**	**3**	**42,561**
Total revenue	**121,794**	**1,847**	**207,449**	**39,749**	**10,505**	**(1)**	**381,343**

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

Six month period ended June 30, 2018	**ACS**	**ARC**	**ProSys**	**Sigma**	**TeraMach**	**Shared Services**	**Total**
Hardware sales	208,902	3,633	297,277	53,359	38,064	-	**601,235**
Other sales	19,981	-	32,669	10,157	6,290	(1)	**69,096**
Product revenue	**228,883**	**3,633**	**329,946**	**63,516**	**44,354**	**(1)**	**670,331**
Pivot provided services	8,828	-	26,548	12,474	5,188	3	**53,041**
Third-party maintenance contracts	4,451	-	18,620	2,810	1,356	-	**27,237**
Service revenue	**13,279**	**-**	**45,168**	**15,284**	**6,544**	**3**	**80,278**
Total revenue	**242,162**	**3,633**	**375,114**	**78,800**	**50,898**	**2**	**750,609**

Geographical markets:

Three month period ended June 30, 2018	**ACS**	**ARC**	**ProSys**	**Sigma**	**TeraMach**	**Shared Services**	**Total**
United States	119,831	1,847	206,176	36,704	-	-	**364,558**
Canada	290	-	2	27	10,488	(2)	**10,805**
International	1,673	-	1,271	3,018	17	1	**5,980**
Total revenue	**121,794**	**1,847**	**207,449**	**39,749**	**10,505**	**(1)**	**381,343**

Six month period ended June 30, 2018	**ACS**	**ARC**	**ProSys**	**Sigma**	**TeraMach**	**Shared Services**	**Total**
United States	237,640	3,633	370,882	75,348	-	-	**687,503**
Canada	317	-	9	47	50,881	(1)	**51,253**
International	4,205	-	4,223	3,405	17	3	**11,853**
Total revenue	**242,162**	**3,633**	**375,114**	**78,800**	**50,898**	**2**	**750,609**

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

Timing of revenue recognition:

Three month period ended June 30, 2018	**ACS**	**ARC**	**ProSys**	**Sigma**	**TeraMach**	**Shared Services**	**Total**
Goods transferred at a point in time	114,190	1,847	182,866	32,340	7,543	(4)	**338,782**
Services transferred at a point in time	4,572	-	17,091	5,010	2,715	3	**29,391**
Services transferred over time	3,032	-	7,492	2,399	247	-	**13,170**
Total revenue	**121,794**	**1,847**	**207,449**	**39,749**	**10,505**	**(1)**	**381,343**

Six month period ended June 30, 2018	**ACS**	**ARC**	**ProSys**	**Sigma**	**TeraMach**	**Shared Services**	**Total**
Goods transferred at a point in time	228,883	3,633	329,946	63,516	44,354	(1)	**670,331**
Services transferred at a point in time	8,828	-	29,461	11,799	5,157	3	**55,248**
Services transferred over time	4,451	-	15,707	3,485	1,387	-	**25,030**
Total revenue	**242,162**	**3,633**	**375,114**	**78,800**	**50,898**	**2**	**750,609**

10. OTHER EXPENSE (INCOME)

	Three months ended June 30,		**Six months ended June 30,**	
	2018	2017	**2018**	2017
Foreign exchange (gain) loss	**(366)**	12	**(1,060)**	319
Other expense (income)	**(42)**	634	**553**	1,111
	(408)	646	**(507)**	1,430

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

11. CHANGE IN FAIR VALUE OF LIABILITIES

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	**2018**	2017
Contingent consideration	290	244	**564**	474
Interest rate swap	**(133)**	(211)	**(367)**	(548)
	157	33	**197**	(74)

12. UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Changes in non-cash working capital balances consist of the following:

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	**2018**	2017
Accounts receivable	**(18,919)**	(39,661)	**(1,745)**	19,490
Income taxes receivable/payable	**(595)**	(2,091)	**(1,006)**	(4,670)
Inventories	**(15,875)**	(21,835)	**21,484**	(37,091)
Other assets	**(633)**	(4,918)	**(576)**	(3,065)
Accounts payable and accrued liabilities	**2,460**	18,773	**(36,363)**	25,585
Other liabilities	**(138)**	(832)	**(147)**	1,901
	(33,700)	(50,564)	**(18,353)**	2,150

Interest paid and income taxes paid and classified as operating activities are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	**2018**	2017
Interest paid	**1,219**	1,063	**2,514**	2,062
Income taxes paid	**673**	2,666	**732**	2,663

13. BUSINESS SEGMENT INFORMATION

The Company's business activities are conducted through six segments:

ACS

The ACS segment is located in the United States and designs, sells and supports integrated computer hardware, software and networking products for business database, network and network security systems. ACS also provides comprehensive training services and offers first call support.

ARC

The ARC segment is located in the United States. ARC is an authorized reseller of technology and provides several professional services, including enterprise services, managed services and staffing services.

ProSys

The ProSys segment is located in the United States and sells storage, server and IT infrastructure consulting solutions to enterprises. The Company also derives revenue from professional engineering and installation services, and services provided by third parties including maintenance, consulting, and training services.

Sigma

The Sigma segment is located in the United States and derives revenue from the sale of computer hardware and software, software licenses, professional services and maintenance and support contracts.

TeraMach

The TeraMach segment is located in Canada and offers data center, security, big data, mobility and application services. Revenues are also derived from consulting and implementation services, staffing and cloud computing services.

Shared Services

The Shared Services segment consists of the Company's head office activities, including strategic leadership, finance and information systems.

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

Revenues and segment profit

Three month period ended June 30, 2018	**ACS**	**ARC**	**ProSys**	**Sigma**	**TeraMach**	**Shared Services**	**Total**
Revenue	121,794	1,847	207,449	39,749	10,505	(1)	**381,343**
Cost of sales	111,153	1,599	187,966	31,976	8,347	(303)	**340,738**
Gross profit	**10,641**	**248**	**19,483**	**7,773**	**2,158**	**302**	**40,605**
Employee compensation and benefits	6,600	99	10,188	4,486	1,468	5,581	**28,422**
Other selling, general and administrative expenses, net	1,458	(10)	3,589	2,181	516	(655)	**7,079**
Income (loss) before the following:	**2,583**	**159**	**5,706**	**1,106**	**174**	**(4,624)**	**5,104**
Depreciation and amortization							**2,861**
Finance expense							**1,773**
Change in fair value of liabilities							**157**
Other income							**(408)**
Earnings before income taxes							**721**

Three month period ended June 30, 2017	**ACS**	**ARC**	**ProSys**	**Sigma**	**TeraMach**	**Shared Services**	**Total**
Revenue	161,240	1,366	182,351	44,392	11,139	246	400,734
Cost of sales	147,290	1,220	162,143	37,742	9,191	198	357,784
Gross profit	13,950	146	20,208	6,650	1,948	48	42,950
Employee compensation and benefits	8,108	88	10,497	3,841	1,534	4,886	28,954
Other selling, general and administrative expenses, net	1,524	113	3,059	1,619	381	8	6,704
Income (loss) before the following:	4,318	(55)	6,652	1,190	33	(4,846)	7,292
Depreciation and amortization							2,766
Finance expense							1,279
Change in fair value of liabilities							33
Other expense							646
Earnings before income taxes							2,568

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

Six month period ended June 30, 2018	ACS	ARC	ProSys	Sigma	TeraMach	Shared Services	Total
Revenue	242,162	3,633	375,114	78,800	50,898	2	**750,609**
Cost of sales	220,911	3,202	339,620	65,282	41,990	(300)	**670,705**
Gross profit	**21,251**	**431**	**35,494**	**13,518**	**8,908**	**302**	**79,904**
Employee compensation and benefits	13,057	218	20,605	8,754	3,989	11,394	**58,017**
Other selling, general and administrative expenses, net	2,600	17	4,909	1,931	873	4,955	**15,285**
Income (loss) before the following:	**5,594**	**196**	**9,980**	**2,833**	**4,046**	**(16,047)**	**6,602**
Depreciation and amortization							**5,710**
Finance expense							**3,086**
Change in fair value of liabilities							**197**
Other income							**(507)**
Loss before income taxes							**(1,884)**

Six month period ended June 30, 2017	ACS	ARC	ProSys	Sigma	TeraMach	Shared Services	Total
Revenue	281,421	1,781	305,791	85,625	47,926	613	723,157
Cost of sales	258,675	1,573	271,712	72,760	40,901	460	646,081
Gross profit	22,746	208	34,079	12,865	7,025	153	77,076
Employee compensation and benefits	15,196	136	19,801	8,223	3,603	10,199	57,158
Other selling, general and administrative expenses, net	2,153	155	4,751	2,230	660	4,227	14,176
Income (loss) before the following:	5,397	(83)	9,527	2,412	2,762	(14,273)	5,742
Depreciation and amortization							5,577
Finance expense							2,361
Change in fair value of liabilities							(74)
Other expense							1,430
Loss before income taxes							(3,552)

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

Segment assets and liabilities

	June 30, 2018	December 31, 2017
Assets		
ACS	**157,344**	185,501
ARC	**6,039**	7,273
ProSys	**261,903**	237,839
Sigma	**56,379**	70,853
TeraMach	**15,909**	24,696
Shared Services	**8,014**	1,721
	505,588	527,883
Liabilities		
ACS	**109,737**	135,673
ARC	**10,646**	11,986
ProSys	**241,928**	216,720
Sigma	**59,102**	71,462
TeraMach	**14,173**	24,715
Shared Services	**57,593**	49,803
	493,179	510,359

(unless otherwise noted all amounts are in thousands of U.S. dollars, except share and per share amounts)

14. RELATED PARTY DISCLOSURES

Until September 1, 2017, when the Company acquired a 40% interest in Applied, the Company was deemed to have the primary exposure to the significant risks and rewards associated with sales by Applied. The Company recognized this revenue on a gross basis. Total gross sales through the agent were approximately $91,229 and $56,156 for the three-months ended June 30, 2018 and 2017, respectively. Total gross sales through the agent were approximately $175,231 and $100,422 for the six months ended June 30, 2018 and 2017, respectively. Amounts due from Applied were $15,135 and $14,883 as at June 30, 2018 and December 31, 2017, respectively.

The Company has certain contractual arrangements with Old ProSys, whose activities and results are consolidated with the Company. The Company is deemed to have primary exposure for the significant risks and rewards associated with sales by Old ProSys to its third-party customers. Total sales attributable to the activities of Old ProSys were approximately $142,121 and $91,668 for the three-month periods ended June 30, 2018 and 2017, respectively. Total sales attributable to the activities of Old ProSys were approximately $233,319 and $148,836 for the six-month periods ended June 30, 2018 and 2017, respectively. Amounts due from Old ProSys were $112,030 and $95,904 as at June 30, 2018 and December 31, 2017, respectively.

The contractual arrangements with Applied and Old ProSys as described above accounted in aggregate for 61.2% and 35.7% of the overall Pivot revenues for the three-month periods ended June 30, 2018 and 2017, respectively, and 36.9% and 33.7% of the overall Pivot revenues for the six-month periods ended June 30, 2018 and 2017, respectively. The contractual arrangements with Applied may be terminated by either party on notice to the other.

ACS incurred $375 for each of the three-month periods ended June 30, 2018 and 2017, respectively, and $750 for each of the six-month periods ended June 30, 2018 and 2017, respectively for research and development provided by a related entity over which the subsidiary's president has significant influence. Nil and $375 was payable as at June 30, 2018 and December 31, 2017, respectively.

The following table sets out the compensation of the key management of the Company:

	Three months ended June 30,		**Six months ended June 30,**	
	2018	2017	**2018**	2017
Compensation	**532**	414	**979**	817
Annual incentive plans	**65**	(190)	**357**	156
Share-based compensation	**53**	-	**53**	-
Other compensation	**208**	13	**417**	214
	858	237	**1,806**	1,187