Interim Condensed Consolidated Financial Statements

Pivot Technology Solutions, Inc.

For the Three and Nine Months Ended
September 30, 2015 and 2014

(Unaudited)

(Expressed in Thousands of U.S. Dollars)

Pivot Technology Solutions, Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

[unaudited]

[in thousands of U.S. dollars]

	September 30, 2015	December 31, 2014
ASSETS		
Current		
Cash and cash equivalents	**12,543**	8,527
Accounts receivable	**263,968**	265,158
Income taxes recoverable	**2,114**	258
Inventories	**71,561**	51,705
Other current assets	**24,569**	27,172
Total current assets	**374,755**	**352,820**
Property, plant and equipment, net	**8,468**	6,685
Goodwill	**29,733**	29,733
Intangible assets, net	**46,034**	52,966
Deferred income taxes (note 8)	**15,834**	15,984
Other non-current assets	**12,353**	15,594
Total assets	**487,177**	**473,782**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank overdraft	**12,773**	43,921
Accounts payable and accrued liabilities	**243,407**	219,439
Deferred revenue and customer deposits	**29,117**	27,156
Other financial liabilities (note 5)	**155,961**	126,533
Total current liabilities	**441,258**	**417,049**
Other financial liabilities (note 5)	**-**	5,000
Other non-current liabilities	**12,906**	14,495
Total liabilities	**454,164**	**436,544**
Shareholders' equity		
Share capital (note 6)	**86,611**	86,125
Warrants and options (note 6)	**2,757**	3,082
Contributed capital	**103**	21
Accumulated deficit	**(56,458)**	(51,990)
Total shareholders' equity	**33,013**	**37,238**
Total liabilities and shareholders' equity	**487,177**	**473,782**

See accompanying notes

On behalf of the Board:

"John Anderson"

John Anderson
Director

"John Sculley"

John Sculley
Director

Pivot Technology Solutions, Inc.

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

[unaudited]

[in thousands of U.S. dollars]

	Three months ended September 30, 2015	Three months ended September 30, 2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
Revenues				
Product sales	**372,957**	319,125	**942,787**	866,501
Service revenues	**37,057**	37,679	**116,466**	107,832
Other revenues	**4,503**	2,912	**9,519**	7,418
	414,517	359,716	**1,068,772**	981,751
Cost of sales	**373,866**	319,574	**950,623**	867,946
Gross profit	**40,651**	**40,142**	**118,149**	**113,805**
Operating expenses (income)				
Selling and administrative	**34,320**	31,629	**100,589**	91,404
Depreciation and amortization	**3,409**	3,081	**9,694**	8,828
Interest expense	**1,789**	1,703	**5,457**	4,790
Change in fair value of liabilities (note 9)	**930**	203	**1,768**	5,236
Transaction costs	**289**	17	**431**	209
Other expense (income)	**2,624**	(96)	**2,737**	(212)
	43,361	36,537	**120,676**	110,255
Income (loss) before income taxes	**(2,710)**	**3,605**	**(2,527)**	**3,550**
Provision for (recovery of) income taxes (note 8)	**(104)**	2,300	**523**	2,263
Net and comprehensive income (loss) for the period	**(2,606)**	**1,305**	**(3,050)**	**1,287**
Net income (loss) per share (note 6):				
Net income (loss) available to common shareholders:				
Net and comprehensive income (loss) for the period	**(2,606)**	1,305	**(3,050)**	1,287
Deduct preferred dividends declared	**-**	(689)	**(461)**	(2,078)
Net income (loss) available to common shareholders	**(2,606)**	616	**(3,511)**	(791)
Basic	**$ (0.02)**	$ 0.01	**$ (0.02)**	$ (0.01)
Diluted	**$ (0.02)**	$ 0.00	**$ (0.02)**	$ (0.01)

See accompanying notes

Pivot Technology Solutions, Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

[unaudited]

[in thousands of U.S. dollars]

	Share Capital Preferred	Common	Total	Contributed Capital	Warrants/ Options	Accumulated Deficit	Total
Balance, December 31, 2013	**51,791**	**34,334**	**86,125**	**-**	**3,103**	**(53,519)**	**35,709**
Preferred share conversion to common shares	(2,764)	2,764	**-**	-	-	-	**-**
Preferred share dividends declared (note 6)	-	-	**-**	-	-	(2,078)	**(2,078)**
Warrants expired and unexercised (note 6)	-	-	**-**	21	(21)	-	**-**
Net and comprehensive income for the period	-	-	**-**	-	-	1,287	**1,287**
Balance, September 30, 2014	**49,027**	**37,098**	**86,125**	**21**	**3,082**	**(54,310)**	**34,918**
Balance, December 31, 2014	**48,080**	**38,045**	**86,125**	**21**	**3,082**	**(51,990)**	**37,238**
Preferred share conversion to common shares	(48,080)	48,080	**-**	-	-	-	**-**
Exercise of broker compensation warrants	-	486	**486**	-	(243)	-	**243**
Warrants expired and unexercised	-	-	**-**	82	(82)	-	**-**
Common share dividends declared (note 6)	-	-	-	-	-	(957)	**(957)**
Preferred share dividends declared (note 6)	-	-	**-**	-	-	(461)	**(461)**
Net and comprehensive loss for the period	-	-	**-**	-	-	(3,050)	**(3,050)**
Balance, September 30, 2015	**-**	**86,611**	**86,611**	**103**	**2,757**	**(56,458)**	**33,013**

See accompanying notes

Pivot Technology Solutions, Inc.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

[unaudited]

[in thousands of U.S. dollars]

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
OPERATING ACTIVITIES				
Net and comprehensive income (loss) for the period	**(2,606)**	1,305	**(3,050)**	1,287
Add (deduct) items not involving cash				
Depreciation and amortization	**3,409**	3,081	**9,694**	8,828
Loss on disposals of property, plant and equipment	**32**	14	**199**	14
Provision for receivables	**20**	52	**86**	102
Deferred income taxes (note 8)	**306**	(1,184)	**150**	(2,682)
Amortization of loan fees	**129**	233	**501**	559
Non cash loss on derecognition	**2,553**	-	**2,553**	-
Change in fair value of liabilities (note 9)	**930**	203	**1,768**	5,236
Changes in non-cash working capital balances (note 10)	**(10,055)**	(9,302)	**6,737**	(36,336)
Cash provided by (used in) operating activities	**(5,282)**	**(5,598)**	**18,638**	**(22,992)**
INVESTING ACTIVITIES				
Proceeds from sales of property, plant and equipment	**-**	19	**50**	19
Payments made on contingent/fixed consideration	**(1,500)**	(1,250)	**(1,500)**	(6,350)
Capital expenditures	**(1,075)**	(853)	**(3,886)**	(1,447)
Intangible assets	**(366)**	(340)	**(908)**	(891)
Cash used in investing activities	**(2,941)**	**(2,424)**	**(6,244)**	**(8,669)**
FINANCING ACTIVITIES				
Net change in debt facilities	**26,240**	(6,594)	**24,160**	6,678
Change in bank overdraft	**(16,365)**	8,776	**(31,148)**	14,486
Common share dividends paid	**(957)**	-	**(957)**	-
Preferred share dividends paid	**-**	(702)	**(676)**	(1,861)
Issuance of shares, net of cost	**210**	-	**243**	-
Cash provided by (used in) financing activities	**9,128**	**1,480**	**(8,378)**	**19,303**
Net increase (decrease) in cash and cash equivalents during the period	**905**	**(6,542)**	**4,016**	**(12,358)**
Cash and cash equivalents, beginning of period	**11,638**	16,204	**8,527**	22,020
Cash and cash equivalents, end of period	**12,543**	**9,662**	**12,543**	**9,662**

See accompanying notes

1. CORPORATE INFORMATION

Pivot Acquisition Corp. ("Pivot Acquisition") completed a reverse takeover of Pivot Technology Solutions, Inc. ("Pivot" or the "Company"), on March 25, 2013. The Company is publicly listed on the TSX Venture Exchange and trades under the symbol PTG. It was classified as a Capital Pool Company, as defined in Policy 2.4 of the TSX Venture Exchange Inc. and, accordingly, had no significant assets other than cash and no commercial operations.

Pivot Acquisition was incorporated under the Business Corporations Act (Ontario) on September 8, 2010, and domiciled in Ontario, Canada. The registered office is located at 40 King Street, Suite 4400, Toronto, Ontario.

The Company has the following wholly owned subsidiaries: ACS Holdings (Canada) Inc., Pivot Technology Solutions, Ltd. ("PTSL", formerly known as ACS Acquisition Holdings Inc.), Pivot Research Ltd., Pivot Shared Services Ltd., ACS (US) Inc. ("ACS"), New ProSys Corp. ("ProSys"), Sigma Technology Solutions, Inc. ("Sigma") and ARC Acquisition (US), Inc. ("ARC").

The unaudited interim condensed consolidated financial statements of the Company for the three and nine months ended September 30, 2015 and 2014 were authorized for issue in accordance with a resolution of the Company's Board of Directors on November 20, 2015.

The Company's strategy is to acquire and integrate technology solution providers, primarily in North America. The businesses acquired to date design, sell and support integrated computer hardware, software and networking products for business database, network and network security systems. The Company primarily serves customers throughout the United States of America ("U.S.").

2. BASIS OF PREPARATION

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

The unaudited interim condensed consolidated financial statements are presented in U.S. dollars and all dollar values are rounded to the nearest thousand ($000), except where otherwise noted.

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, 2014.

Management has determined that the Company operates as a single operating segment, and the Company undertakes its operations in the U.S. Therefore, no segment reporting is included in these unaudited interim condensed consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The same accounting policies and methods of computation are followed in the unaudited interim condensed consolidated financial statements as compared with the Company's most recent audited consolidated financial statements, including the notes, for the year ended December 31, 2014.

Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's 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.

IFRS 9 Financial Instruments: Classification and Measurement

International Financial Reporting Standard 9, *Financial Instruments* ("IFRS 9"), as issued in 2014, introduces new requirements for the classification and measurement of financial instruments, a new expected-loss impairment model that will require more timely recognition of expected credit losses and a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. IFRS 9 also removes the volatility in profit or loss that was caused by changes in an entity's own credit risk for liabilities elected to be measured at fair value. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Company has not yet begun the process of evaluating the impact of this standard on its unaudited interim condensed consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. The Company is in the process of reviewing the standard to determine the impact on the unaudited interim condensed consolidated financial statements.

IAS 16 Property, Plant and Equipment, and IAS 38 Intangible Assets

In May 2014, the IASB issued amendments to IAS 16 and IAS 38 prohibiting the use of revenue-based depreciation for property, plant and equipment and significantly limiting the use of revenue-based amortization for intangible assets. These amendments are effective for annual periods beginning on or after January 1, 2016, and are to be applied prospectively. The Company is currently assessing the impact of this standard on its unaudited interim condensed consolidated financial statements.

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

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A subsidiary of the Company has a secured flooring agreement with IBM Global Finance ("IBM") which provides short-term financing. Certain vendors send invoices directly for payment and IBM bills the Company monthly for vendor invoices received. After 60 days, the Company incurs interest on the outstanding balance at LIBOR plus 4.5%. $11,709 and $11,157 were due to IBM as at September 30, 2015 and December 31, 2014, respectively. The Company is required to maintain certain financial ratios and was in compliance as at September 30, 2015 and December 31, 2014. This amount is included in accounts payable and accrued liabilities in the unaudited interim condensed consolidated statements of financial position.

On August 26, 2014, another subsidiary executed a purchase finance agreement with Macquarie Equipment Finance that allowed up to $10,000 in unsecured advances on purchases from approved suppliers. On March 24, 2015, the agreement with Macquarie was amended to allow up to $15,000 on 60-day unsecured advances from approved suppliers. Interest of LIBOR plus 1.58% will be applied. $11,864 and $8,515 was outstanding under the Macquarie purchase finance agreement as at September 30, 2015 and December 31, 2014. This amount is included in accounts payable and accrued liabilities in the unaudited interim condensed consolidated statements of financial position.

5. OTHER FINANCIAL LIABILITIES

	September 30, 2015	December 31, 2014
Current		
Secured borrowings	**149,685**	120,525
Fixed consideration	**3,949**	4,992
Interest rate swap	**2,327**	1,016
	155,961	126,533
Non-current		
Secured borrowings	**-**	5,000
	-	5,000
	155,961	131,533

Secured borrowings

On November 13, 2013 ("PNC Closing Date"), Pivot Technology Solutions Ltd., a wholly owned subsidiary of the Company, along with certain of its subsidiaries, ACS, ProSys and Sigma (collectively the "PNC Borrowing Group"), entered into an agreement with PNC Bank ("PNC") for the provision of $185,000 of senior secured asset-based credit facilities ("PNC Credit Facility"). The PNC Credit Facility originally consisted of a $10,000 term loan ("PNC Term Loan") and a senior secured revolving credit facility ("PNC Revolving Credit Facility") that allowed the PNC Borrowing Group to draw up to $175,000, subject to borrowing base limitations, a portion of which could be used for letters of credit or swing line loans.

The PNC Term Loan principal was due in four consecutive quarterly installments of $500 commencing on January 1, 2014, ten consecutive quarterly installments of $750 commencing on January 1, 2015, followed by a final payment of $500 plus all unpaid principal, accrued and unpaid interest and all unpaid fees and expenses on August 13, 2017. Unless a new credit facility was arranged by PNC, a 2% premium applied to any portion of the PNC Term Loan that was prepaid on or before the one-year anniversary of the PNC Closing Date and a 1% premium applied to any prepayment after the first anniversary of the PNC Closing Date and on or before the third anniversary of the PNC Closing Date.

The PNC Revolving Credit Facility provided for a borrowing rate of Prime plus 1% to 1.5% or LIBOR plus 2% to 2.5% per annum, based on average quarterly undrawn availability, at the Company's election. The PNC Term Loan bore interest at Prime plus 9% or LIBOR plus 10% per annum at the Company's election. The PNC Revolving Credit Facility contained an unused commitment fee of 0.375% per annum.

Nil and $117,525 was outstanding under the PNC Revolving Credit Facility as at September 30, 2015 and December 31, 2014, respectively. The PNC Term Loan had outstanding balances of nil and $8,000 as at September 30, 2015 and December 31, 2014, respectively. A 1% fee of $58 was charged for the termination of the PNC Term Loan prior to the third anniversary of the PNC Closing Date.

The PNC Borrowing Group was able to use up to $10,000 of its available borrowing under the PNC Credit Facility for letters of credit which were charged a fronting fee of 0.25% and bore interest at Prime plus 1.5%. The PNC Borrowing Group could also use up to $17,500 of its available borrowing under the PNC Credit Facility for swing loans which charged a fee of Prime plus 1.5% per annum. A letter of credit for $250 was outstanding under the PNC Credit Facility at September 30, 2015 and December 31, 2014. The balance outstanding on the swing loan held under the PNC Revolving Credit Facility was nil at September 30, 2015 and December 31, 2014.

Under the terms of the PNC Credit Facility, the PNC Borrowing Group was subject to certain restrictive covenants. The Company was in compliance with these covenants as at December 31, 2014.

On September 21, 2015, the Company entered into a credit agreement with certain institutional lenders, represented by JPMorgan Chase Bank, N.A. ("JPMC"), that provides for a $200,000 secured asset-based revolving credit facility, subject to borrowing base limitations, a portion of which could be used for letters of credit or swing line loans ("JPMC ABL Credit Facility"). The JPMC ABL Credit Facility is scheduled to expire on September 21, 2020. Any advances under the credit agreement will accrue interest at rates that are equal to, based on certain conditions, either (a) JPMC's "prime rate" as announced from time to time plus 0.0% to 0.25%, or (b) LIBOR, or a comparable or successor rate that is approved by the Administrative Agent, for an interest period of one month plus 1.50% to 1.75%, at the Company's election. The credit agreement requires that the Company comply with certain covenants as defined in the agreement.

The Company may also, upon the agreement of either the then-existing lenders or additional lenders not currently parties to the agreement, increase the commitments under the JPMC ABL Credit Facility by up to an additional $75,000. The lenders under the JPMC ABL Credit Facility are not under any obligation to provide any such additional commitments, and any increase in commitments is subject to several conditions precedent and limitations.

In connection with the JPMC ABL Credit Facility, the Company incurred finance costs which have been capitalized and are being amortized over the life of the credit agreement. As at September 30, 2015, $150,945 was outstanding under the JPMC ABL Credit Facility and the Company was in compliance with the required covenants. The outstanding balance is shown net of deferred loan costs of $1,260, at September 30, 2015, in current other financial liabilities in the unaudited interim condensed consolidated statements of financial position.

This credit facility replaces the PNC Credit Facility that was entered into on November 13, 2013, which was terminated, at the Company's election, in connection with its entering into the new credit facility.

As a result of the transactions described above, the Company incurred a loss on the derecognition of the PNC Credit Facility. This loss consisted of (1) $2,553 for the write-off of deferred costs associated with the repayment of the PNC Credit Facility and (2) a $58 termination fee required to prepay the Company's PNC Term Loan.

Fixed consideration

On July 1, 2012, the Company acquired substantially all of the net operating assets of Sigma Solutions, LP ("Old Sigma"). As part of the asset purchase agreement with the partners of Old Sigma, contingent consideration had been agreed. The consideration was dependent on a measure of operating profit before tax of the business acquired from Old Sigma during the three consecutive 12-month periods ending July 1, 2015. The purchase agreement was amended on May 7, 2014, whereby the remaining undiscounted consideration was fixed at $7,500, payable in increments of $3,500 and $4,000 on October 31, 2014 and October 31, 2015, respectively. The agreement was further amended on October 28, 2014, whereby the first increment of the fixed consideration was payable in the amounts of $2,000 on October 31, 2014, with the remaining $1,500 to accrue interest at 8% per annum, and to be paid on or before April 30, 2015. If any of the $1,500 remained unpaid after April 30, 2015, it was to bear interest at 15% per annum. On April 27, 2015, the agreement was further amended, whereby the final $1,500 first increment payment was payable on or before July 31, 2015 with the unpaid balance accruing interest from the amendment date until the earlier of the payment date or July 31, 2015, at the rate of 8% per annum. If any of the $1,500 remained unpaid after July 31, 2015, it would bear interest at 15% per annum. The $1,500 was paid on July 31, 2015. The fair value at the acquisition date was estimated to be $5,719. The present value of the consideration was determined to be $3,949 and $4,992 as at September 30, 2015 and December 31, 2014, respectively. The Company recorded a charge of $151 and $138 related to the change in present value of the consideration for the three month periods ended September 30, 2015 and 2014, respectively. The Company recorded a charge of $457 and $1,774 related to the change in present value of the consideration for the nine month periods ended September 30, 2015 and 2014, respectively. Payments of $1,500 were made during the three and nine month periods ended September 30, 2015. No payments were made during each of the three and nine month periods ended September 30, 2014.

Interest rate swap

On April 3, 2014, the Company entered into an interest rate forward swap agreement ("Swap") with PNC to mitigate the risk of fluctuating interest rates. Under the terms of the Swap, the interest rate varied between 4.655% and 5.155% on $50,000 of the amount outstanding under the PNC Credit Facility. This range of rates would be in effect from April 7, 2016 through November 13, 2018. As part of the Novation Agreement noted below, the interest rate will now vary between 4.305% and 4.555% on $50,000 of the amount outstanding under the JPMC ABL Credit Facility. The changes in the fair value of this instrument were recorded as a change in fair value of liabilities in the unaudited interim condensed consolidated statements of income (loss) and comprehensive income (loss). As at September 30, 2015 and December 31, 2014, the fair value of the Swap was determined to be $2,327 and $1,016, respectively, which represents the cost that would be incurred by the Company to exit the Swap, due to fluctuations in future interest rate expectations.

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

On September 21, 2015, in connection with the commencement of the new JPMC ABL Credit Facility, the Company novated the Swap and transferred to JPMC of all the rights, liabilities, duties and obligations of the Interest Rate Swap Provider (PNC). The transactions between the Company and JPMC will be subject to the same terms and with the same provisions as set forth in the Interest Rate Swap Agreement but with the modifications as set forth in the Novation Agreement.

6. SHARE CAPITAL

As at September 30, 2015, the issued share capital amounted to $86,611. 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 nine months ended September 30, 2015 were as follows:

	Series A Preferred #	Common Shares #
As at January 1, 2015	60,163,380	107,623,246
Cancellation of shares	-	(135,000)
Options exercised	-	800,000
Preferred shares converted to common shares	(60,163,380)	60,163,380
As at September 30, 2015	-	**168,451,626**

Note: Share amounts are not rounded

As at September 30, 2014, the issued share capital amounted to $86,125. An unlimited number of both common and preferred shares, with no par value, were authorized for issuance. The changes in issued share capital for the nine months ended September 30, 2014 were as follows:

	Series A Preferred #	Common Shares #
As at January 1, 2014	65,262,480	102,659,146
Cancellation of shares	-	(135,000)
Preferred shares converted to common shares	(3,726,600)	3,726,600
As at September 30, 2014	**61,535,880**	**106,250,746**

Note: Share amounts are not rounded

Series A Preferred Shares

The holders of Series A Preferred Shares were entitled to receive, on a monthly basis, in cash, out of any funds legally available therefore, a fixed cumulative preferential dividend at the rate of 6% per annum, when declared by the Board of Directors. The holders of the Series A Preferred Shares were permitted to require the Company to redeem the Series A Preferred Shares for cash at a price per share that is equal to C$0.48 following the completion of any transaction where the Company had raised C$75,000 in capital. The Series A Preferred Shares carried an optional conversion right where each Series A Preferred Share could, at the option of the holders, be converted into one common share of the Company. The Series A Preferred Shares also carried a conversion right, whereby at any time after June 30, 2013, the Company was permitted to require the holders to convert the Series A Preferred Shares into common shares of the Company. On March 16, 2015, the Company converted all of the outstanding Series A Preferred Shares into common shares.

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, warrants, and dilutive shares related to the Company's Series A Shares. Common share equivalents are excluded from the computation in periods in which they have an anti-dilutive effect. The computation of diluted income per share for the three month period ended September 30, 2014 did not include options to purchase 7,764,514 shares, respectively, as the option exercise price exceeded the market value of the underlying stock, so the result would have been anti-dilutive.

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

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 September 30,		**Nine months ended September 30,**	
	2015	2014	**2015**	2014
Income (loss) for the period - basic	**(2,606)**	1,305	**(3,050)**	1,287
Preferred share dividends declared	-	-	**(461)**	(2,078)
Income (loss) for the period - diluted	**(2,606)**	1,305	**(3,511)**	(791)
Weighted average number of common shares outstanding – basic	**167,862,577**	105,844,338	**151,580,769**	104,408,559
Dilutive effect of preferred shares conversions	**-**	61,535,880	**-**	-
Weighted average number of common shares outstanding – diluted	**167,862,577**	167,380,218	**151,580,769**	104,408,559
Income (loss) per share				
Basic	**$(0.02)**	$0.01	**$(0.02)**	$(0.01)
Diluted	**$(0.02)**	$0.00	**$(0.02)**	$(0.01)

For the three month period ended September 30, 2015 and the nine month periods ended September 30, 2015 and 2014, 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.

Warrants and options

Broker warrants

The Company's broker warrant instruments are classified as equity and measured at fair value on the date of issue. Broker warrants are compensation warrants issued to the brokers involved in the Company's financing efforts. Fair value is calculated at the grant date using the Black-Scholes option pricing model and management's assumptions.

Subsequent to issue, broker warrants are not revalued. Warrants and broker warrants are re-classified to share capital when they are exercised or contributed capital, if expired and unexercised.

On March 11, 2013, Pivot Acquisition granted to its private placement agents non-transferable warrants to purchase up to an aggregate of 309,514 common shares at a price of C$0.80 per share exercisable for a period of two years. The relative fair value of the warrants were valued using the Black-Scholes option pricing model using the following fair value assumptions: dividend yield of 0%, volatility rate of 60%, expected life of two years and risk-free interest rate of 0.98%. The fair value allocated to the warrants was C$83. On March 11, 2015, the options had not been exercised, and have expired accordingly.

During 2011, Pivot Acquisition issued 7,455,000 broker compensation warrants in relation to the Company's Debenture issue. The options can be exercised for C$0.40 per share and expire on April 14, 2016. The fair value allocated to the warrants was $3,000, which was recognized as an expense in fiscal 2011. On May 20, 2015, the broker exercised 100,000 options, and during September 2015, exercised a total of 700,000 options.

Cancellation of shares

On April 17, 2014, September 30, 2014, March 30, 2015 and September 28, 2015, respectively, 75,000, 60,000, 67,500 and 67,500 common shares were cancelled. The cancellations were related to the resignation of the Company's former CEO, which was announced on July 3, 2013. On the date of resignation, 40% (or 300,000) of the 750,000 shares previously granted to the former CEO pursuant to his service agreement with the Company had vested, and as such, 60% or 450,000 shares are required to be cancelled upon release from escrow. All 750,000 shares had been placed into escrow following the completion of the Qualifying Transaction as described in the Company's filing statement dated March 8, 2013. 60% of the shares will be cancelled as they are released from escrow, until a total of 450,000 shares are cancelled. As at September 30, 2015, 270,000 shares have been cancelled.

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

Dividends declared and paid

Series A dividends declared and paid were as follows:

Declaration Date	Record Date	Distribution Date	Per share amount	Total dividend
April 25, 2013	April 30, 2013	May 1, 2013	C$0.00486575	C$452
April 25, 2013	May 27, 2013	June 3, 2013	C$0.00407671	C$364
June 13, 2013	June 25, 2013	July 2, 2013	C$0.00394521	C$351
July 12, 2013	July 25, 2013	August 1, 2013	C$0.00407671	C$363
August 8, 2013	August 27, 2013	September 3, 2013	C$0.00407671	C$363
September 13, 2013	September 24, 2013	October 1, 2013	C$0.00394521	C$351
October 9, 2013	October 25, 2013	November 1, 2013	C$0.00407671	C$363
November 18, 2013	November 29, 2013	December 3, 2013	C$0.00394521	C$346
December 10, 2013	December 24, 2013	January 3, 2014	C$0.00407671	C$266
January 13, 2014	January 27, 2014	February 3, 2014	C$0.00407671	C$266
February 11, 2014	February 24, 2014	March 3, 2014	C$0.00368219	C$240
March 10, 2014	March 25, 2014	April 3, 2014	C$0.00407671	C$266
April 9, 2014	April 25, 2014	May 2, 2014	C$0.00394521	C$247
May 12, 2014	May 26, 2014	June 3, 2014	C$0.00407671	C$255
June 10, 2014	June 24, 2014	July 3, 2014	C$0.00394521	C$246
July 10, 2014	July 24, 2014	August 5, 2014	C$0.00407671	C$254
August 12, 2014	August 25, 2014	September 3, 2014	C$0.00407671	C$254
September 9, 2014	September 23, 2014	October 3, 2014	C$0.00394521	C$247
October 9, 2014	October 24, 2014	November 4, 2014	C$0.00407671	C$250
November 6, 2014	November 21, 2014	December 3, 2014	C$0.00394521	C$242
December 10, 2014	December 22, 2014	January 5, 2015	C$0.00407671	C$250
January 13, 2015	January 26, 2015	February 3, 2015	C$0.00407671	C$245
February 11, 2015	February 23, 2015	March 4, 2015	C$0.00368219	C$221
March 6, 2015	March 15, 2015	April 3, 2015	C$0.00197260	C$115

Note: Per share amounts are not rounded

On August 19, 2015, the Board declared a C$0.0075 common share dividend, for holders of common shares on August 31, 2015. Dividends of C$1,259 were paid on September 15, 2015.

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

7. FINANCIAL INSTRUMENTS

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

As at September 30, 2015	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Non-financial	Total carrying amount
Cash and cash equivalents	12,543	-	-	-	**12,543**
Accounts receivable	-	263,968	-	-	**263,968**
Other non-financial assets	-	-	-	210,666	**210,666**
Total assets	**12,543**	**263,388**	**-**	**210,666**	**487,177**
Bank overdraft	12,773	-	-	-	**12,773**
Accounts payable and accrued liabilities	-	-	243,407	-	**243,407**
Other financial liabilities	2,327	-	153,634	-	**155,961**
Other non-financial liabilities	-	-	-	42,023	**42,023**
Total liabilities	**15,100**	**-**	**397,041**	**42,023**	**454,164**

As at December 31, 2014	Fair value through profit or loss	Loans and receivables	Other financial liabilities	Non-financial	Total carrying amount
Cash and cash equivalents	8,527	-	-	-	**8,527**
Accounts receivable	-	265,158	-	-	**265,158**
Other non-financial assets	-	-	-	200,097	**200,097**
Total assets	**8,527**	**265,158**	**-**	**200,097**	**473,782**
Bank overdraft	43,921	-	-	-	**43,921**
Accounts payable and accrued liabilities	-	-	219,439	-	**219,439**
Other financial liabilities	1,016	-	130,517	-	**131,533**
Other non-financial liabilities	-	-	-	41,651	**41,651**
Total liabilities	**44,937**	**-**	**349,956**	**41,651**	**436,544**

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

Fair values

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

The following table presents 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 September 30, 2015 and December 31, 2014:

	Fair value as at September 30, 2015			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Interest rate swap	-	2,327	-	**2,327**
	-	**2,327**	-	**2,327**

	Fair value as at December 31, 2014			
Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Interest rate swap	-	1,016	-	**1,016**
	-	**1,016**	**-**	**1,016**

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.

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

8. INCOME TAXES

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

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
Current tax expense (benefit)	**(410)**	3,484	**373**	4,945
Deferred tax expense (benefit)	**306**	(1,184)	**150**	(2,682)
	(104)	2,300	**523**	2,263

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

9. CHANGE IN FAIR VALUE OF LIABILITIES

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
Contingent consideration	**-**	-	**-**	3,801
Interest rate swap	**779**	(188)	**1,311**	550
Fixed consideration	**151**	391	**457**	885
	930	203	**1,768**	5,236

10. CONSOLIDATED CONDENSED INTERIM STATEMENTS OF CASH FLOWS

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

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
Accounts receivable	**(2,401)**	(43,114)	**1,104**	(48,809)
Income taxes recoverable	**(1,329)**	1,769	**(1,856)**	2,279
Inventories	**269**	(439)	**(19,856)**	(1,935)
Other assets	**2,066**	(2,584)	**2,790**	(18,699)
Accounts payable and accrued liabilities	**(8,174)**	34,317	**26,144**	19,626
Other liabilities	**(486)**	749	**(1,589)**	11,202
	(10,055)	(9,302)	**6,737**	(36,336)

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

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
Interest paid	**1,980**	2,156	**5,142**	4,187
Income taxes paid	**957**	1,829	**2,282**	3,498

11. RELATED PARTY DISCLOSURES

In addition to the asset purchase agreement with Applied Computer Solutions ("Old ACS"), a subsidiary of the Company has entered into an administrative services agreement, a license agreement and a distribution agreement with Old ACS commencing with the date of the asset purchase. The administrative services agreement commits the Company to performing certain administrative functions on behalf of Old ACS. The total amount collected from Old ACS for these shared administrative services was $920 and $395 for the three month periods ended September 30, 2015 and 2014, respectively. The total amount collected from Old ACS for these shared administrative services were $2,361 and $1,185 for the nine month periods ended September 30, 2015 and 2014, respectively. The license agreement permits Old ACS to license from the Company certain of the intellectual property obtained by the Company in the asset purchase. A member of key management of the Company has significant influence over Old ACS, resulting in a related party relationship.

The Company is deemed to have the primary exposure to the significant risks and rewards associated with sales by Old ACS to its third-party customers, and thus the Company is the principal and Old ACS is the agent of the Company with respect to such sales. The Company recognizes this revenue on a gross basis. Total gross sales through the agent were $28,250 and $33,488 for the three month periods ended September 30, 2015 and 2014, respectively. Total gross sales through the agent were $68,947 and $85,466 for the nine month periods ended September 30, 2015 and 2014, respectively. The Company's effective costs to the agent in respect of this revenue were $2,284 and $930 for the three month periods ended September 30, 2015 and 2014, respectively, which are included in the Company's cost of sales. The Company's effective costs to the agent in respect of this revenue were $4,659 and $2,124 for the nine month periods ended September 30, 2015 and 2014, respectively, which are included in the Company's cost of sales.

The Company has a similar contractual arrangement with Austin Ribbon & Computer Supplies, Inc. ("Old ARC"), whereby Old ARC is an agent of the Company. Total gross sales through the agent were approximately $31,457 and $20,904 for the three month periods ended September 30, 2015 and 2014, respectively. Total gross sales through the agent were approximately $70,944 and $71,088 for the nine month periods ended September 30, 2015 and 2014, respectively.

Certain subsidiaries lease offices from related entities. One subsidiary of the Company leases two of its offices from a related entity controlled by a key member of that subsidiary's management team. The Company is obligated for repairs, maintenance, insurance and property tax on these leases. Rent paid on these leases was $517 and $372 for the three month periods ended September 30, 2015 and 2014, respectively. Rent paid on these leases was $1,204 and $1,155 for the nine month periods ended September 30, 2015 and 2014, respectively. Another subsidiary of the Company leased an office from an entity in which that subsidiary's president and another key management member have an ownership interest. The Company was obligated for repairs, maintenance, insurance and property tax on this lease. Rent paid on this lease was nil and $11 for the three month periods ended September 30, 2015 and 2014, respectively. Rent paid on this lease was nil and $66 for the nine month periods ended September 30, 2015 and 2014, respectively. This lease expired in August 2014 and was not renewed.

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

A subsidiary of the Company incurred nil and $79 for the three month periods ended September 30, 2015 and 2014, respectively, and nil and $352 for the nine month periods ended September 30, 2015 and 2014, respectively, for marketing services provided by related entities controlled by a key member of that subsidiary's management team and nil and $2 in expenses for the use of aircraft owned by a related entity controlled by a key member of that subsidiary's management team for the three month periods ended September 30, 2015 and 2014, respectively ($20 and $15 for each of the nine month periods ended September 30, 2015 and 2014).

A subsidiary of the Company incurred $400 and nil for the three month periods ended September 30, 2015 and 2014, respectively, and $1,206 and nil for the nine month periods ended September 30, 2015 and 2014, respectively, for research and development provided by a related entity controlled by a key member of another subsidiary's management team.

A subsidiary of the Company incurred $105 and nil for the three months ended September 30, 2015 and 2014, respectively, and $157 and nil for the nine months ended September 30, 2015 and 2014, respectively, for sales and marketing support provided by a related entity where a Company director has significant influence.

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

	Three months ended September 30,		**Nine months ended September 30,**	
	2015	2014	**2015**	2014
Compensation	**570**	429	**1,583**	1,263
Short-term employee benefits	**9**	9	**27**	27
	579	438	**1,610**	1,290