

April 13, 2018



ShiftPixy, Inc. Reports Fiscal 2018 Second Quarter Results

IRVINE, Calif., April 13, 2018 (GLOBE NEWSWIRE) -- ShiftPixy, Inc. (NASDAQ:PIXY), a developing, proprietary next-gen technology platform for workforce engagement and management, today announced operating results for the three months ended February 28, 2018 ("2018 Second Quarter").

ShiftPixy Chief Executive Officer Scott Absher commented, "As we roll out our proprietary and sophisticated technology platform, we are increasingly excited about the crucial role we'll play in the expanding Gig Economy workplace. Our growing client roster across our expanding national footprint demonstrates the appeal of the ShiftPixy Ecosystem, and the rapid progress we're making on the technology front will only increase platform effectiveness, ultimately helping to create value for our shareholders."

2018 Second Quarter Highlights

- Gross billings grew 58.1% to \$48.6 million, compared to \$30.8 million for the 2017 second quarter; gross billings increased 20.9% sequentially from \$40.2 million in the prior quarter.
- Revenues increased 45.8% to \$7.9 million, compared to \$5.4 million for the second quarter of 2017.
- Worksite employees increased by 3,405 to 6,798 compared to 3,393 as of February 28, 2017; the number of employees at the end of the quarter also represents a sequential increase of 1,116 over the number of employees at the end of the first fiscal quarter 2018.
- Gross profit was \$0.9 million versus \$1.1 million in the prior year period, and net loss per share was 9 cents during the quarter, versus a net loss of 4 cents the prior year period.

"I've been thoroughly impressed with the contagious energy at ShiftPixy since joining earlier this year, in particular the discovery of brand new applications for our Ecosystem that further expand our horizons," stated Chief Financial Officer Patrice Launay. "During this transformational time, we will work to optimize and manage our balance sheet in support of our rapid growth."

Fiscal 2018 Third Quarter Guidance

The Company currently expects gross billings for fiscal third quarter 2018 to be in the range of \$50 million to \$60 million, which at the midpoint would represent a sequential increase of 13% over the fiscal second quarter 2018.

Webcast

ShiftPixy will host a webcast at 11:00 a.m. Eastern Time on Friday, April 13, 2018, to discuss financial results for the 2018 fiscal second quarter. Investors can access the webcast through the ShiftPixy website at <https://ir.shiftpixy.com>.

About ShiftPixy

ShiftPixy is a disruptive human capital management (HCM) services provider, revolutionizing employment in the Gig Economy by delivering a next-gen platform for workforce management that helps businesses with shift-based employees navigate regulatory mandates, minimize administrative burdens and better connect with a ready-for-hire workforce. With expertise rooted in management's nearly 25 years of workers' compensation and compliance programs experience, ShiftPixy adds a needed layer for addressing compliance and continued demands for equitable employment practices in the growing Gig Economy. ShiftPixy's complete HCM ecosystem is designed to manage regulatory requirements and compliance in such required areas as paid time off (PTO) laws, insurance and workers' compensation, minimum wage increases, and the Affordable Care Act (ACA) compliance.

ShiftPixy Cautionary Statement

The information provided in this release includes forward-looking statements, the achievement or success of which involves risks, uncertainties, and assumptions. Although such forward-looking statements are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate. If any of the risks or uncertainties, including those set forth below, materialize or if any of the assumptions proves incorrect, the results of ShiftPixy, Inc., could differ materially from the results expressed or implied by the forward-looking statements we make. The risks and uncertainties include, but are not limited to, risks associated with the nature of our business model; our ability to execute the Company's vision and growth strategy; our ability to attract and retain clients; our ability to assess and manage risks; changes in the law that affect our business and our ability to respond to such changes and incorporate them into our business model, as necessary; our ability to insure against and otherwise effectively manage risks that affect our business; competition; reliance on third-party systems and software; our ability to protect and maintain our intellectual property; and general developments in the economy and financial markets.

Statements made in connection with any guidance may refer to financial statements that have not been reviewed or audited. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The information in this press release shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, and will not be deemed an admission as to the materiality of any information that is required to be disclosed solely by Regulation FD. Further information on these and other factors that could affect the financial results of ShiftPixy, Inc., is included in the filings on Forms 1-A and 10-Q and in other filings we make with the Securities and Exchange Commission from time to time. These documents are available on the "SEC Filings" subsection of the "Investor Information" section of our website at <https://ir.shiftpixy.com/financial-information/sec-filings>.

Consistent with the SEC's April 2013 guidance on using social media outlets like Facebook and Twitter to make corporate disclosures and announce key information in compliance with

Regulation FD, ShiftPixy is alerting investors and other members of the general public that ShiftPixy will provide updates on operations and progress required to be disclosed under Regulation FD through its social media on Facebook, Twitter, LinkedIn and YouTube. Investors, potential investors, shareholders and individuals interested in our Company are encouraged to keep informed by following us on Facebook, Twitter, LinkedIn and YouTube.

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ShiftPixy Inc.
Condensed Consolidated Balance Sheets

	February 28, 2018	August 31, 2017
	(Unaudited)	
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 904,421	\$ 5,896,705
Accounts receivable	191,910	428,790
Prepaid expenses	2780,159	2,687,188
Other current assets	33,279	15,916
Total Current Assets	<u>3,909,769</u>	<u>9,028,599</u>
Fixed assets, net	1,061,901	288,065
Deposits and Other assets	<u>158,415</u>	<u>126,480</u>
Total Assets	<u><u>\$ 5,130,085</u></u>	<u><u>\$ 9,443,144</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 1,359,927	\$ 1,160,474
Payroll related liabilities	3,329,263	2,388,454
Other current liabilities	688,311	278,982
Total Current Liabilities	<u>5,377,501</u>	<u>3,827,910</u>
Commitments and Contingencies		
Stockholders' (Deficit) Equity		
Preferred stock, 50,000,000 authorized shares; \$0.0001 par value; no shares issued and outstanding	-	-
Common stock, 750,000,000 authorized shares; \$0.0001 par value; 28,800,676 and 28,762,424 shares issued and outstanding, respectively	2,881	2,877
Additional paid-in capital	15,210,030	15,012,584
Accumulated deficit	(15,460,327)	(9,400,227)
Total Stockholders' (Deficit) Equity	<u>(247,416)</u>	<u>5,615,234</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 5,130,085</u></u>	<u><u>\$ 9,443,144</u></u>

ShiftPixy Inc.
Condensed Consolidated Statements of Operations

(Unaudited)				
	For the Three Months Ended February 28,		For the Six Months Ended February 28,	
	2018	2017	2018	2017
	(Restated)		(Restated)	
Revenues (gross billings of \$48.6m and \$30.8m less worksite employee payroll cost of \$40.8m and \$25.3m, respectively for the three months ended; gross billings of \$88.8m and \$65.8m less worksite employee payroll cost of \$74.4m and \$54.8m, respectively for six months ended)	\$ 7,886,459	\$ 5,408,743	\$ 14,398,378	\$ 11,090,419
Cost of Revenues	7,007,315	4,302,972	12,273,718	8,033,525
Gross Profit	879,144	1,105,771	2,124,660	3,056,894
Operating Expenses				
Payroll	1,372,403	906,484	2,623,188	1,837,475
Commissions	338,434	201,282	610,065	304,583
Professional fees	508,787	282,966	1,001,242	452,593
Product development	486,354	-	2,386,354	-
General and administrative	892,049	675,391	1,563,911	1,044,496
Total Operating Expenses	3,598,027	2,066,123	8,184,760	3,639,147
Net Loss	\$ (2,718,883)	\$ (960,352)	\$ (6,060,100)	\$ (582,253)
Net Loss per common share available to Common Shareholders:				
Basic and Diluted	\$ (0.09)	\$ (0.04)	\$ (0.21)	\$ (0.02)
Weighted Average Number of Common Shares Used in Per Share Computations:				
Basic and Diluted	28,800,630	26,227,935	28,792,333	26,220,789



Source: ShiftPixy, Inc.